

Maluti-A-Phofung Municipality Proposed Draft Budget 2018/19 “MTREF”





2018/19 TO 2020/21 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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municipal website: www.map.gov.za**



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Abbreviations and Acronyms

AMR -Automated Meter Reading
CFO- Chief Financial Officer
MM- Municipal Manager
CPI- Consumer Price Index
DBSA --Development Bank of South Africa
DoRA Division of Revenue Act
DWA -Department of Water Affairs
EE -Employment Equity
EEDSM- Energy Efficiency Demand Side Management
EM- Executive Mayor
FBS -Free basic services
GAMAP -Generally Accepted Municipal Accounting Practice
GRAP -General Recognised Accounting Practice
HR --Human Resources
IDP -Integrated Development Strategy
IT -Information Technology
kl- kilolitre
km- kilometre
KPA- Key Performance Area
KPI -Key Performance Indicator

KWh- kilowatt

ℓ litre
LED- Local Economic Development
MEC -Member of the Executive Committee
MFMA- Municipal Financial Management Act
MIG -Municipal Infrastructure Grant
MMC -Member of Mayoral Committee
MPRA- Municipal Properties Rates Act
MSA- Municipal Systems Act
MTEF-- Medium-term Expenditure Framework
MTREF- Medium-term Revenue and Expenditure Framework
NERSA- National Electricity Regulator South Africa
NGO -Non-Governmental organisations
NKPIs- National Key Performance Indicators
OP- Operational Plan
PMS- Performance Management System
PPE -Property Plant and Equipment
SALGA- South African Local Government Association
SDBIP-Service Delivery Budget Implementation Plan



PART 1: PROPOSED DRAFT ANNUAL BUDGET



1.2 RESOLUTIONS

PROPOSED DRAFT ANNUAL BUDGET FOR THE 2018/19 AND MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK, IDP AND RELATED POLICIES

1.2.1 Consolidated annual Operating Budget

The annual consolidated total operating income of **R1,601,856,754.00** and annual consolidated total operating expenditure of **R2,152,976,187.00** and indicative amounts for the two projected outer years **2019/20** and **2020/21**, **be noted as** set out in the following Tables:

- (a) Operating revenue by source reflected in **TABLE A4 on – Page 15**
- (b) Operating expenditure by type reflected in **TABLE A4 on – Page 15**
- (c) Operating expenditure by vote classification reflected in **TABLE A3 on – Page 29**

1.2.2 Consolidated annual Capital Budget

- (a) That the Annual consolidated capital budget of **R223,321,000.00** and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years **2019/20** and **2020/21**, **be noted as** set out in **TABLE A5 on Page 33**

1.2.3 MAP annual Operating Budget

That the Annual total operating income of **R1,360,823,246.00** and annual total operating expenditure of **R1,901,885,679.00** and indicative amounts for the two projected outer years **2019/20** and **2020/21**, **be noted as** set out in the following Schedules:

- (a) Operating revenue source reflected in **TABLE A4 on – Page 40**
- (b) Operating expenditure by type reflected in **TABLE A4 on – Page 40**
- (c) Operating expenditure by vote classification reflected in **TABLE A3 on – Page 39**

1.2.4 MAP Annual Capital Budget

- (a) That the annual capital budget of **R223,321,000.00** and the multiyear appropriations by vote, GFS classification and funding for the two projected outer years **2019/20** and **2020/21**, **be noted as** set out in **TABLE A5 on page 42**



1.2.5 MAP WATER Annual Operating Budget

That the Annual total operating income of **R238,184,508.00** and annual total operating expenditure of **R238,184,508.00** and indicative amounts for the two projected outer years **2019/20** and **2020/21**, be noted as set out in the following Schedules:

- (a) Operating revenue by source reflected in **TABLE D2 on –Annexure 2C**
- (b) Operating expenditure by type reflected in **TABLE D2 on –Annexure 2C**

1.2.6 that the property rates and any other municipal tax reflected in **Annexure 3** proposed for the budget year **2018/19; be noted.**

1.2.7 that the budget related policies as reflected on **Annexure 4; be noted** for implementation



1.3 EXECUTIVE SUMMARY

The preparation of the proposed draft annual budget for the 2018/19 financial year shall be informed by the following: **(based on National Treasury Circular 91)**:

- Annual IDP of the Municipality,
- Actual results for 2016/2017 financial year,
- Approved Annual and Adjustment Budgets 2017/18
- Expected results for 2019/20 financial year
- Expected changes in the macro-economic environment, and Community priorities.
- Circular 89 and Circular 91
- Circular 82 on Cost containment measures
- The departmental service delivery implementation plans

The municipality has not transacted on the financial system since July 2017 as the mSCOA regulation. This has led to inaccurate reporting and none submission of reports in compliance with the following MFMA regulations and requirements in the 2017/18 financial year, i.e, monthly reports (S71), quarterly reports (S11(4)a, 66, 52d) , Mid-year reporting (S72), Adjustment budget (S28).

Section 16 of the MFMA states that

(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

(2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting **at least 90 days before the start of the budget year.**

Note should be taken that the municipality's proposed budget is based on the following:

- *Pre-audited outcomes for 2016/ 17 as the Audit has not been finalised*
- *Actual results for three months (July-September) and estimations for nine months due to the non-existence of the fully operational financial system*
- *The original budget for 2017/18*

In terms of section 13 of the MPRA No 6 of 2004 and sections 24 and 42 of the MFMA No 56 of 2003 new tariffs for property rates, electricity, water and any other taxes and similar tariffs may only be implemented from the start of the municipal financial year (1 July) after Council' approval otherwise section 139 of the Constitution will apply. Unrealistically low tariff increases and an over-ambitious capital expenditure programme will lead to unfunded municipal budgets that threaten the municipal financial sustainability and service delivery. It is therefore imperative that municipalities refrain from suspending credit control and debt collection efforts. Expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs) should be prioritised. Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.



The South African economy and inflation targets

The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than 2 per cent and unemployment remains high at 26.7 per cent. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The **GDP growth rate** is forecasted at **1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020**. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In addition, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

Local government conditional grants and additional allocations

Local government direct and indirect transfers absorb 18.8 per cent of the reductions. A total of **R13.9 billion has been cut from direct local government conditional grant allocations** for the Medium Term Expenditure Framework (MTEF) period ahead since the 2017 MTBPS was tabled. **Indirect grants to local government have been reduced by an additional R2.2 billion.**

The reductions did not affect all conditional grants, and not all grants were reduced by the same percentage. The infrastructure conditional grants, particularly the larger ones, were mainly affected as this was considered the most practical approach. The overall impact of reducing this funding affects capital programmes; therefore, local government's share of the reductions is higher than their share of the division of revenue, given that municipalities receive a number of infrastructure grants. **The average reductions over the medium term are 3.5 per cent of local government allocations.**

Conditional grant funding targets delivery of national government's service delivery priorities. It is imperative that municipalities understand and comply with the conditions stipulated in the Division of Revenue Act (DoRA) in order to access this funding. The equitable share and the sharing of the general fuel levy constitute additional unconditional funding, of which the equitable share is designed to fund the provision of free basic services to disadvantaged communities.



Municipal Standard Charts of Accounts (mSCOA)

The **mSCOA** Regulations apply to all municipalities and municipal entities with effect from **1 July 2017**. Technically, for a municipality to be regarded as **mSCOA** compliant on 1 July 2017 it must be able to transact across all the **mSCOA** segments and its core system and all sub-systems (including that of its municipal entities) must seamlessly integrate.

The Municipality could not transact on the **mSCOA** compliant system since July 2017 due to the failed conversion from old financial system to the transversal contract procured through National Treasury. As a result, the municipality could not bill and capture transactions since that period.

That led to non-compliance with MFMA No.56 of 2003 reporting legislation and regulations. The set timelines were not met as per the approved IDP / Budget process plan; hence the Draft Budget is only submitted this late.

Revenue management

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the upper limit of the **3 to 6** per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2018/19** in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures.

Where revenue collection is not well planned or managed, or where tariffs are not properly set, serious financial problems can arise. Eskom's recent move to cut off power supply to municipalities that have not paid electricity bills is an indication of what can happen when municipalities fail to manage this risk.

Eskom bulk tariff increases

The NERSA document proposes a **6.84 per cent** guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of **7.32 per cent**.



Employee related costs

The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage.

Remuneration of councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councillor(s) concerned.

Unspent Conditional Grants for 2017/2018

In addition to the requirements outlined in the previous MFMA Circulars regarding unspent conditional grants, municipalities must know that the National Treasury uses the pre-audited Annual Financial Statements (AFS) to determine the unspent conditional grants. The decision is made based on the pre-audited AFS. Therefore, there will not be a review of the unspent conditional grants once the audited AFS are available. It is therefore imperative that municipalities ensure that there is completeness in reported figures on the pre-audited AFS

The Municipal Budget and Reporting Regulations

VAT will increase from 14 per cent to 15 per cent from April 2018. In terms of Section 7(4) of Value-Added Tax Act (No. 89 of 1991), the VAT increase takes effect on 1 April. It is a tax increase as result of tax legislation that municipalities must implement and not an increase of tariffs by the municipalities. Therefore Section 28(6) of the Municipal Finance Management Act, 2003 (No. 56 of 2003) (MFMA), is not applicable in this regard.

Whether the additional amount is recoverable from the customer or not, the supplier must account for VAT on any supplies made on or after 1 April 2018 at the increased VAT rate.



Budget process and submissions for the 2018/19 MTREF

Budgeting for the audited years on the A schedule (mSCOA)

According to international learning practices, it is appropriate to reclassify historical information in accordance with the changes that occur in the Standard Chart of Accounts. Municipalities must capture the reclassified audit outcomes for 2014/15 to 2016/17 in version 6.2 of the Schedule A when compiling 2018/19 MTREF budgets.

Budget process and submissions for the 2018/19 MTREF:

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in both printed and electronic formats. If the annual budget is tabled to council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns was **Tuesday, 03 April 2018**. The deadline for submission of hard copies including council resolution was **Friday, 06 April 2018**.
- Section 24(3) of the MFMA, read together with regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury ***within ten working days*** after the council has approved the annual budget. If the council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.
- ***The municipality will submit the documents after the budget is tabled to council***

The municipal manager must submit:

- the budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA38) in both printed and electronic formats;
- the draft service delivery and budget implementation plan in both printed and electronic format;
- the draft integrated development plan;
- the council resolution;
- signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations;
- the budget locking certificate; and
- schedules D specific for the entities.

The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purpose of expanding infrastructure and providing basic services to more households.



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

An annual budget set out certain service delivery levels and associated financial implications. Therefore, the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under-spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, annual budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

The effects of the economic challenges experienced over the past years still linger and continue to place pressure on the community at large which results in difficulties for the municipality in terms of revenue collection and this also impact on service delivery.

Revenue estimates should be realistic, as the operating expenditure budget will be funded by the total revenue budget. It should also be reiterated that the council may not budget for a deficit and the budget should be fully funded

Maluti-A-Phofung municipality strategy is built around the following key components:

- National Treasury's guidelines and macro-economic policy;
- Projected Municipality growth and continued economic development;
- Realistic revenue management, which provides for the achieving of the collection rate target;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Setting of trading services" user charges at levels which are reflective of these services" cost recovering nature;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's indigent policies to assist the poor and rendering of free basic services; and
- Tariff policies.

The following growth limits have been published by the National Treasury and it shall form the basis of increase in the tariff and related expenditure which should range between **5.3 to 5.5 per cent.** (N.B. The 2018/19 actual is an estimate by NT)

FISCAL YEAR	2017/18 Estimates	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast
Consumer Price Inflation (CPI)	5.3%	5.3%	5.4%	5.5%
Real GDP growth	1.0%	1.5%	1.8%	2.1%



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

Table 1 CONSOLIDATED OVERVIEW OF THE 2018/19 MTREF

FS194 Maluti-a-Phofung - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	120 001	208 270	158 750	207 596	–	207 596	–	207 596	220 052	233 255
Service charges - electricity revenue	2	405 424	273 034	283 358	558 165	–	558 165	–	376 253	398 828	422 757
Service charges - water revenue	2	71 289	42 927	69 867	78 315	–	78 315	–	83 014	87 995	93 274
Service charges - sanitation revenue	2	49 226	54 593	38 375	41 577	–	41 577	–	44 072	46 716	49 519
Service charges - refuse revenue	2	27 700	32 826	34 829	34 832	–	34 832	–	36 921	39 137	41 485
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		850	1 064	1 142	1 284	–	1 284	–	1 346	1 426	1 512
Interest earned - external investments		759	2 036	2 304	2 900	–	2 900	–	2 900	3 074	3 258
Interest earned - outstanding debtors		16 771	24 926	31 514	31 800	–	31 800	–	33 708	35 730	37 874
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		880	37 662	17 863	14 012	–	14 012	–	14 853	15 744	16 689
Licences and permits		–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		394 689	454 043	458 944	503 632	–	503 632	–	547 804	597 768	647 753
Other revenue	2	448 256	19 233	156 076	236 765	–	236 765	–	253 390	266 212	279 684
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		1 535 845	1 150 612	1 253 024	1 710 878	–	1 710 878	–	1 601 857	1 712 682	1 827 061
Expenditure By Type											
Employee related costs	2	337 544	415 083	462 666	455 734	–	455 734	–	489 197	513 699	546 089
Remuneration of councillors		23 489	23 134	24 223	23 357	–	23 357	–	25 233	26 751	28 338
Debt impairment	3	(162 674)	255 270	56 026	270 000	–	270 000	–	270 000	286 200	303 372
Depreciation & asset impairment	2	279 224	279 489	268 781	285 000	–	285 000	–	270 940	287 187	304 409
Finance charges		4 206	20 685	23 829	4 000	–	4 000	–	8 960	10 290	10 704
Bulk purchases	2	426 541	675 051	600 636	608 750	–	608 750	–	631 596	669 741	708 721
Other materials	8	466 701	103 010	112 685	94 680	–	94 680	–	59 450	63 017	66 798
Contracted services		66 105	68 145	96 878	82 143	–	82 143	–	71 842	72 992	75 846
Transfers and subsidies		–	–	109 000	115 540	–	115 540	–	140 000	147 000	154 350
Other expenditure	4, 5	425 501	346 939	524 167	306 675	–	306 675	–	185 758	199 468	210 590
Loss on disposal of PPE		6 256	663	–	–	–	–	–	–	–	–
Total Expenditure		1 872 893	2 187 470	2 278 890	2 245 878	–	2 245 878	–	2 152 976	2 276 345	2 409 216
Surplus/(Deficit)		(337 048)	(1 036 858)	(1 025 867)	(535 000)	–	(535 000)	–	(551 119)	(563 663)	(582 155)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		206 474	186 197	178 731	215 732	–	215 732	–	223 321	231 963	263 435
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(130 574)	(850 661)	(847 135)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)
Taxation											
Surplus/(Deficit) after taxation		(130 574)	(850 661)	(847 135)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(130 574)	(850 661)	(847 135)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(130 574)	(850 661)	(847 135)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)



1.3.1. FINANCIAL OVERVIEW OF THE CONSOLIDATED ANNUAL BUDGET

1.3.1.1 TOTAL CONSOLIDATED OPERATING ANNUAL BUDGET

The **projected annual revenue** amounts to **R1, 601,856,754** (R1.6 billion) for the 2018/19 financial year, which represents a decrease of R109 million which is (6%) less than the approved Annual Budget for 2017/18. For the 2019/20 and 2020/21 financial years the annual budgeted revenue amounts to R1,712,682,074 (R1.8 billion) which represents an increase of R111 million (7%) and R1,827,060,981 (R1.8 billion) which represents an increase of R114 million (7%) respectively. The total consolidated annual **operating expenditure** budget for the 2018/19 financial year amounts to **R2, 152,976,187** (R2.1 billion), which represents a decrease of R93 million less than the approved annual budget for 2017/18. For the 2019/2020 and 2020/21 financial years the proposed annual operating expenditure budgets amounts are R2,276,345,233 (R2.3 billion) and R2,409,216,229 billion respectively, which represent an increase of R123 million or (6%) and R133 million or (6%) for the two outer years.

The **capital budget** of **R223,321,000** (R223 million) for 2018/2019 is 18% less when compared to the 2017/2018 annual budget. The decrease is due to the own source projects that were put on hold due to the cash flow situation of the Municipality. The capital programme increases to R232 million in 2019/20 and a further increase to R263 million for 2020/21 which represents an increase of 4% and 14% respectively. The capital budget will be funded from the capital grants only as the Municipality has not billed its customers since July 2017

The table below is a consolidated overview of the proposed 2018/19 Medium – term Revenue and Expenditure Framework:

Description	Pre- Audited Outcomes 2016/17	Original Budget 2017/18	MTREF		
			Budget Year 2018/19	Budget Year+1 2019/20	Budget Year+2 2020/21
	R'000	R'000	R'000	R'000	R'000
Operating Revenue	1 253 024	1 502 962	1 601 857	1 712 682	1 827 061
Operating Expenditure	2 278 890	2 037 962	2 152 976	2 276 345	2 409 216
Surplus/-Deficit	-1 025 866	-535 000	-551 119	-563 663	-582 155
Capital Expenditure	187 862	272 432	223 321	231 963	263 435



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1.3.1.2 CONSOLIDATED REVENUE BY SOURCE OF FUNDING

Table 2 Summary of revenue classified by main revenue source

Description	Past performance	Current Year	Medium Term Revenue & Expenditure Framework		
	Pre- Audited Outcomes 2016/17	Original Budget 2017/18	Budget Year 2018/19	Budget Year+1 2019/20	Budget Year+2 2020/21
Property rates	158 750 217	207 596 000	207 596 000	220 051 760	233 254 866
Service charges - electricity	283 358 414	558 165 343	376 252 629	398 827 786	422 757 454
Service charges - water	69 867 017	78 314 920	83 013 816	87 994 645	93 274 323
Service charges - sanitation	38 375 203	41 577 440	44 072 086	46 716 411	49 519 396
Service charges - refuse	34 828 938	34 831 600	36 921 496	39 136 786	41 484 993
Income received by the entity	136 652 000	207 916 256	238 184 508	250 093 733	262 598 420
Rental of facilities and equipment	1 142 043	1 283 720	1 345 743	1 426 488	1 512 077
Interest earned - external investments	2 303 804	2 900 000	2 900 000	3 074 000	3 258 440
Interest earned - outstanding debtors	31 514 495	31 800 000	33 708 000	35 730 480	37 874 309
Fines	17 862 852	14 012 000	14 852 720	15 743 883	16 688 516
Transfers recognised - operational	458 944 253	503 632 000	547 804 000	597 768 000	647 753 000
Other revenue	19 424 324	28 848 658	15 205 756	16 118 102	17 085 188
Total Revenue	1 253 023 560	1 710 877 937	1 601 856 754	1 712 682 074	1 827 060 981



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Table 3 Percentage growth in revenue by main revenue Source

	Past performance		Current Year		MTREF					
Description	Pre-audited Outcomes 2016/17		Original Budget 2017/18		Budget Year 2018/19		Budget Year+1 2019/20		Budget Year+2 2020/21	
	R'000	%	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	158 750	13%	207 596	12%	207 596	13%	220 052	13%	233 255	13%
Service charges - electricity	283 358	23%	558 165	33%	376 253	23%	398 828	23%	422 757	23%
Service charges - water	69 867	6%	78 315	5%	83 014	5%	87 995	5%	93 274	5%
Service charges - sanitation	38 375	3%	41 577	2%	44 072	3%	46 716	3%	49 519	3%
Service charges - refuse	34 829	3%	34 831	2%	36 921	2%	39 137	2%	41 485	2%
Income received by the entity	136 652	11%	207 916	12%	238 185	15%	250 094	15%	262 598	14%
Rental of facilities and equipment	1 142	0%	1 284	0%	1 344	0%	1 426	0%	1 512	0%
Interest earned - external investments	2 304	0%	2 900	0%	2 900	0%	3 074	0%	3 258	0%
Interest earned - outstanding debtors	31 514	3%	31 800	2%	33 708	2%	35 730	2%	37 874	2%
Fines	17 863	1%	14 012	1%	14 852	1%	15 744	1%	16 689	1%
Transfers recognised - operational	458 944	37%	503 632	29%	547 804	34%	597 768	35%	647 753	35%
Other revenue	19 424	2%	28 849	2%	15 206	1%	16 118	1%	17 085	1%
TOTAL OPERATING REVENUE	1 253 022	100%	1 710 877	100%	1 601 855	100%	1 712 682	100%	1 827 059	100%

1.3.1.3 PROPERTY RATES

The municipality is in a process of transferring private properties that are still under the municipal name to rightful owners; sites that are being developed; formalisation of rural areas & the introduction of flat rate intended to be implemented in 2019/2020 which will improve collection from rates & taxes. This source of revenue constitutes 13% of the total proposed revenue and it forms part of core functions of the municipality revenue base. It didn't increase because many processes affecting rates and taxes are still in progress.

1.3.1.4 ELECTRICITY REVENUE

The estimation for **electricity revenue** has decreased by R181, 9 million from the Annual budget. This source of revenue constitutes 23% of the total operating revenue. Owing to the increases in Eskom's bulk tariffs, it is clearly not possible to fund all these necessary upgrades through increases in the municipality electricity tariff since the resultant tariff increase would be unaffordable for the consumers, however the municipality has to invest on the revenue enhancement strategies to control tempers, illegal connections and distribution losses, if the revenue improves in six months, it will be adjusted accordingly



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An installation of the Automatic Meter Reading System (AMR) smart meters on most businesses and urban residential areas has to be prioritised. Disconnections have to start when the billing of accounts has started. Educational road shows have to be conducted through the wards constituency meetings in trying to bring back the culture of paying services.

1.3.1.5 WATER & SANITATION REVENUE

These services constitute 5% and 3% of the total operating revenue respectively. The Municipality should consider smart metering for urban areas and renewal of infrastructure network

1.3.1.6 INCOME RECEIVED BY THE ENTITY (SERVICE CHARGES- WATER AND SANITATION)

Income received by the Entity constitutes 15% of the total proposed revenue. The billing for all municipal services is run in the Municipality and the collection thereof is paid into the Municipality's bank account, the Entity then bills the Municipality for all cash received for water and sanitation on a monthly basis. **Note should be taken that water and sanitation are the responsibility of Maluti-A-Phofung Water Entity.**

1.3.1.7 REFUSE REMOVAL REVENUE

This source of revenue constitutes 2% of our proposed revenue. The Municipality does not have fully functional yellow fleet to can provide this service and this is one area that should be looked at

1.3.1.8 GOVERNMENT GRANTS AND SUBSIDIES

This category constitutes 34% of our total operating income and the grants and subsidies consist of the following- see a table below: The equitable share allocations supplement municipalities' own revenues for the provision of basic services to poor households.

Table 4 Operating Transfers and Grant Receipts

Description	Original Budget 2017/18	MTREF Allocation		
		Budget Year 2018/19	Budget Year+1 2019/20	Budget Year+2 2020/21
OPERATING GRANTS	R'000	R'000	R'000	R'000
<u>National transfers</u>	501 132	545 054	594 418	644 143
Equitable Share- LGES	493 768	538 719	591 738	641 031
Finance Management - Grant - LG-FMG	2 145	2 215	2 680	3 112
Expanded public works programme integrated grant for municipalities (EPWP)	5 219	4 120	-	-
<u>Provincial transfers</u>	2 500	2 750	3 350	3 610
Municipal support grant	2 500	-	2 000	2 110
Sports, Arts and Culture and Recreation	-	2 750	1 350	1 500
Total Operating Grants	503 632	547 804	597 768	647 753



1.3.1.9 INTEREST EARNED ON EXTERNAL INVESTMENTS

The estimate for **interest earned on external investments** constitutes 0% of the proposed total revenue and it has remained stable when compared to the annual budget of 2017/2018. This depends on Municipality's cash flow which is currently not adequate to can invest.

1.3.1.10 INTEREST EARNED ON OUTSTANDING DEBTORS

The estimate for **interest earned on outstanding debtors** is at 2% as in the annual budget of 2017/2018, interest is not charged on government accounts, our outstanding debts include government accounts, business, residential, FDC and indigents. Note should be taken that non-payment is still a challenge and the Municipality is in the process of billing its customers.

1.3.1.11 FINES

The Municipality has introduced the traffic fines management systems through a service provider and is in the process of increasing the installation of CCTV cameras

1.3.1.12 OTHER REVENUE

This group includes revenue generated through services provided to the community, i.e. building plan fees, water and electricity connection fees, transport fees, dumping fees, etc. and this constitutes 1% of our total Revenue.



1.4 CONSOLIDATED OPERATING REVENUE FRAMEWORK

1.4.1. PROPOSED TARIFF SETTING

Detailed Proposed tariffs for the **2018/19** financial year are attached to the budget document on **Annexure 3**, however the summary of the proposed increase is as follows:

Table 5 summary of proposed tariffs

Description	Average Increase
Rates and Taxes	0%
Electricity	6,84%
Water	6,00%
Refuse	6,00%
Sanitation	6,00%
General Tariffs	6,00%
Community Services	6,00%
Cemetery	6,00%
Advertising	6,00%

1.4.1 Rates and Taxes Tariff

There is no proposed increase on the Property Rates tariff for 2018/19 financial year because the new valuation roll was implemented as from the 1st of July 2015, the following tariffs will apply:

Table 6 Property rates Comparison

PROPERTY RATES AND TAXES TARIFFS						
Category	2018/2019 PROPOSED					
	PROPOSED 2018/2019	Rate per Rand	Rebate %	Rebate Value per Rand	Rate Payable per Rand	Tariff Codes
RESIDENTIAL PROPERTY						
Market value (developed)	0,0076	0,3802	98%	0,3726	0,0076	VA0001
Market value (undeveloped)	0,0380	0,3802	90%	0,3422	0,0380	VA0002
Indigent	0,0000	0,3802	100%	0,3802	0,0000	VA0003
Old Age / Pensioners 100% Rebate on first R200 000 of the market value	0,0000	0,3802	98%	0,3726	0,0076	VA0001
(Rebate on first R110 000 of market value is granted)						
BUSINESS						
Market value (developed)	0,0380	0,7604	95%	0,7224	0,0380	VA0004
Market value (undeveloped)	0,0760	0,7604	90%	0,6844	0,0760	VA0005
STATE OWNED PROPERTY						
Market value (developed)	0,0655	0,0851	23,00%	0,0196	0,0655	VA0025
Market value (undeveloped)	0,0655	0,0851	23,00%	0,0196	0,0655	VA0024



National Treasury's MFMA Circular No.51 deals inter alia with the implementation of Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on the 1 July 2009 and prescribe the rate ratio for the non-residential categories, public services infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the past budgets processes.

The following stipulations in the Property Rates Policy are highlighted:

The first **R110 000** of the market value of a property used for residential purposes is excluded from rate-able value and **100%** rebate will be granted to registered indigents and on the 1st **R200 000** of the market value for old age and state pensioners in terms of Indigent Policy. **100% per cent** rebate will be granted to registered non- profit organisation

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth out-strips supply. The municipality is currently in the process of reviewing the current water tariff structure to ensure that water tariffs structures are cost reflective by 2019 and also to ensure that:

- Water tariffs are fully cost – reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Table 7 Comparison between current water charge and increase

WATER SERVICES TARIFFS			
SERVICE	APPROVED RATES 2017/2018 R	PROPOSED % INCREASE	PROPOSED RATES 2018/2019 R
TARIFF- 1			
MAP AREA - DOMESTIC USERS OLD AGE HOMES, HOSTELS AND FLATS			
0-6 kl	8,09	6,00%	8,57
7-12 kl	9,90	6,00%	10,49
13-25 kl	10,21	6,00%	10,83
26-40 kl	10,53	6,00%	11,17
41kl and upwards	11,70	6,00%	12,41
0-6kl free basic water for registered indigents only			
0-6 kl non inc municipal area, Plots & Farms	6,38	6,00%	6,77



1.4.3 Sanitation and impact of tariffs increases

A tariff increase of **6 per cent** for sanitation from 1 July 2018 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (100 per cent subsidy) will be applicable to registered indigents; and
- The total revenue of sanitation expected to be generated amounts to **R44** million for the 2018/19 financial year

The following table compares the current and proposed final tariffs:

Table 8 Comparison between current Sanitation charge and increase

WASTE WATER MANAGEMENT (SANITATION) TARIFFS			
SERVICE	APPROVED RATES 2017/2018 R	PROPOSED % INCREASE	PROPOSED RATES 2018/2019 R
TARIFF -1			
DOMESTIC - BASIC CHARGE PER STAND			
Harrismith & Kestell: Domestic, Flats, Old age & Hostels (Residential town)	142,04	6,00%	150,57
Residential @ townships	85,65	6,00%	90,79
<i>Charged monthly</i>			

1.4.4 Electricity and impact of tariff increase

According to Circular 91, the NERSA document proposes a **6.84 per cent** guideline increase for municipal electricity tariffs for 2018/19. This is based on a bulk tariff increase for municipalities of **7.32 per cent**.

The following table compares the current and approved tariffs



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Table 9 Comparison between current Electricity charge and increase

ELECTRICITY TARIFFS						
ELECTRICITY	kWh	APPROVED RATES 2016/2017 R	APPROVED % INCREASE	APPROVED RATES 2017/2018 R	PROPOSED % INCREASE	PROPOSED RATES 2018/2019 R
Consumer Cost (Tariffs do not include VAT)						
TARIFF -A- DOMESTIC TARIFFS						
House, Flats, Old Age Homes, Hotels, Church Offices, Charity Organisations, Schools, Sport Grounds, Clubs, Agricultural Societies.						
BASIC LEVY - PER MONTH						
Single Phase (Conventional Meters)		189,95	1,00%	191,85	6,84%	204,97
Three Phase (Conventional Meters)		189,95	1,00%	191,85	6,84%	204,97
Rural tariff		194,61	1,00%	196,56	6,84%	210,00
TARIFF PER UNIT						
DOMESTIC NON RURAL						
Conventional Normal meter-per kWh(single phase)summer tariff	(0-50kWh)	0,84	1,00%	0,85	6,84%	0,91
	(51-350kWh)	1,08	1,00%	1,09	6,84%	1,17
	(351-600kWh)	1,52	1,00%	1,54	6,84%	1,64
	(>600kWh)	1,73	1,00%	1,75	6,84%	1,87
Conventional Normal meter-per kWh(single phase)winter tariff	(0-50kWh)	0,88	0,77%	0,89	6,84%	0,95
	(51-350kWh)	1,16	0,78%	1,17	6,84%	1,25
	(351-600kWh)	1,68	1,26%	1,70	6,84%	1,81
	(>600kWh)	1,78	1,00%	1,80	6,84%	1,92
Basic charge conventional NON RURAL(single/three phase)		189,95	1,00%	191,85	6,84%	204,97
Conventional Normal meter-per kWh(three phase)summer tariff	(0-50kWh)	0,88	1,00%	0,89	6,84%	0,95
	(51-350kWh)	1,18	1,00%	1,19	6,84%	1,27
	(351-600kWh)	1,69	1,00%	1,71	6,84%	1,82
	(>600kWh)	1,78	0,00%	1,78	6,84%	1,90
Conventional Normal meter-per kWh(three phase)winter tariff	(0-50kWh)	0,93	1,00%	0,94	6,84%	1,00
	(51-350kWh)	1,35	1,00%	1,36	6,84%	1,46
	(351-600kWh)	1,76	1,00%	1,78	6,84%	1,90
	(>600kWh)	1,80	1,00%	1,82	6,84%	1,94
Pre-paid meter - per kWh(Single phase&three phase)summer tariff	(0-50kWh)	0,85	15,26%	0,98	6,84%	1,05
	(51-350kWh)	1,24	5,07%	1,30	6,84%	1,39
	(351-600kWh)	1,66	6,48%	1,77	6,84%	1,89
	(>600kWh)	1,78	7,24%	1,91	6,84%	2,04
Pre-paid meter - per kWh(Single phase&three phase)winter tariff	(0-50kWh)	0,97	7,25%	1,04	6,84%	1,11
	(51-350kWh)	1,35	5,49%	1,42	6,84%	1,52
	(351-600kWh)	1,66	6,48%	1,77	6,84%	1,89
	(>600kWh)	1,78	7,24%	1,91	6,84%	2,04



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1.4.5 Waste management and impact of tariff increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

Considering the deficit, the municipality is doing a comprehensive investigation into the cost structure of solid waste function and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle. An average of **6 per cent** increase in the waste removal tariff is proposed from **1 July 2018**

Table 10 Comparison between current Refuse removal charge and increase

WASTE MANAGEMENT TARIFFS			
SERVICE	APPROVED RATES 2017/2018 R	PROPOSED % INCREASE	PROPOSED RATES 2018/2019 R
<u>REFUSE REMOVAL</u>			
<u>TARIFF (excl. VAT)</u>			
<u>Residential:</u>	Per month for one refuse removal per week		Per month for one refuse removal per week
Residential properties	89,91	6,00%	95,30
Businesses, including businesses operated from residential dwellings (per container per month)	321,33	6,00%	340,60
Industrial Small 208	368,68	6,00%	390,80
Industrial Medium 600	793,21	6,00%	840,80
Industrial Larger 1800	2 378,04	6,00%	2 520,70
Building Waste - Self dumping	free		free
Government, Magistrate, Police	988,46	5,99%	1 047,70
Market value (undeveloped)			
Schools	504,34	6,00%	534,60
Hospitals	1 345,43	6,00%	1 426,20
Universities	3 561,21	6,00%	3 774,90
Colleges	1 452,36	6,00%	1 539,50
Dumping of refuse by Businesses & Industrial - self dumping per ton	43,09	5,82%	45,60
Flats (Per Units)	1 161,89	6,00%	1 231,60
Business	399,00	5,99%	422,90
Emptying of cages measured by m³	22,34	5,62%	23,60
Taxi Ranks	1 428,95	5,99%	1 514,60
Garages	1 428,95	5,99%	1 514,60
FDC Complexes (Rural)	1 152,31	6,00%	1 221,40
Hostels and Restaurants	399,00	5,99%	422,90



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1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increase on large and small households, as well as an indigent household receiving free basic services.

Table 11 MBRR Table SA14- Household bills

FS194 Maluti-a-Phofung - Supporting Table SA14 Household bills

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		275,50	392,67	392,67	392,67	-	392,67	-	392,67	392,67	392,67
Electricity: Basic levy		157,28	167,82	176,47	178,23	-	178,23	6,8%	190,43	201,85	213,96
Electricity: Consumption		1 224,72	1 298,21	1 401,00	1 415,01	-	1 415,01	6,8%	1 511,80	1 602,50	1 698,65
Water: Basic levy											
Water: Consumption		314,61	333,48	354,64	377,34	-	377,34	6,0%	399,98	423,98	449,41
Sanitation		71,79	126,30	133,50	142,04	-	142,04	6,0%	150,57	159,60	169,18
Refuse removal		75,42	79,95	84,50	89,91	-	89,91	6,0%	95,30	101,02	107,08
Other											
sub-total		2 119,33	2 398,43	2 542,78	2 595,20	-	2 595,20	5,6%	2 740,74	2 881,62	3 030,96
VAT on Services											
Total large household bill:		2 119,33	2 398,43	2 542,78	2 595,20	-	2 595,20	5,6%	2 740,74	2 881,62	3 030,96
% increase/-decrease			13,2%	6,0%	2,1%	(100,0%)	-		5,6%	5,1%	5,2%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		314,61	266,00	266,00	283,02	-	283,02	-	283,02	283,02	283,02
Electricity: Basic levy		157,28	167,82	176,47	178,23	-	178,23	6,8%	188,93	200,26	212,28
Electricity: Consumption		528,09	559,78	598,31	604,29	-	604,29	6,8%	640,55	678,98	719,72
Water: Basic levy											
Water: Consumption		191,01	202,47	214,54	228,27	-	228,27	6,0%	241,97	256,48	271,87
Sanitation		71,79	76,10	80,50	85,65	-	85,65	6,0%	90,79	96,24	102,01
Refuse removal		75,42	79,95	84,50	89,91	-	89,91	6,0%	95,30	101,02	107,08
Other											
sub-total		1 338,21	1 352,12	1 420,32	1 469,38	-	1 469,38	4,8%	1 540,56	1 616,02	1 696,00
VAT on Services											
Total small household bill:		1 338,21	1 352,12	1 420,32	1 469,38	-	1 469,38	4,8%	1 540,56	1 616,02	1 696,00
% increase/-decrease			1,0%	5,0%	3,5%	(100,0%)	-		4,8%	4,9%	4,9%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		487,73	42,50	324,00	327,24	-	327,24	6,8%	346,87	367,69	389,75
Water: Basic levy											
Water: Consumption		117,99	43,32	125,72	133,77	-	133,77	6,0%	141,79	150,30	159,32
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		605,72	85,82	449,72	461,01	-	461,01	6,0%	488,67	517,99	549,07
VAT on Services											
Total small household bill:		605,72	85,82	449,72	461,01	-	461,01	6,0%	488,67	517,99	549,07
% increase/-decrease			(85,8%)	424,0%	2,5%	(100,0%)	-		6,0%	6,0%	6,0%



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SOCIAL PACKAGE

The following social package will be provided during 2018/19 financial year.

Table 12 social packages

Service charges	Residents (non-indigents)	Indigents
Electricity	0	50kWh per month
Water	0	6kl per month
Refuse removal	0	100%
Sanitation	0	100%
Assessment rates	(Rebate on first 110 000 of market value is granted)	100%

1.5 CONSOLIDATED OPERATING EXPENDITURE FRAMEWORK

The expenditure section of the operating budget outlines out all the operating expenses and cash outflows to both internal and external sources.

In order to facilitate accountability departments must budget for all expenditure necessary for the performance of their respective functions.

However, departments are required to address only the expenditure items directly manageable by the relevant department.

The zero-based types of analysis where all activities are open to in-depth review and scrutiny during the budget process provides an opportunity for the reallocation of resources to important priorities and avoid continuous growth in the budgeted expenditure of low priorities.

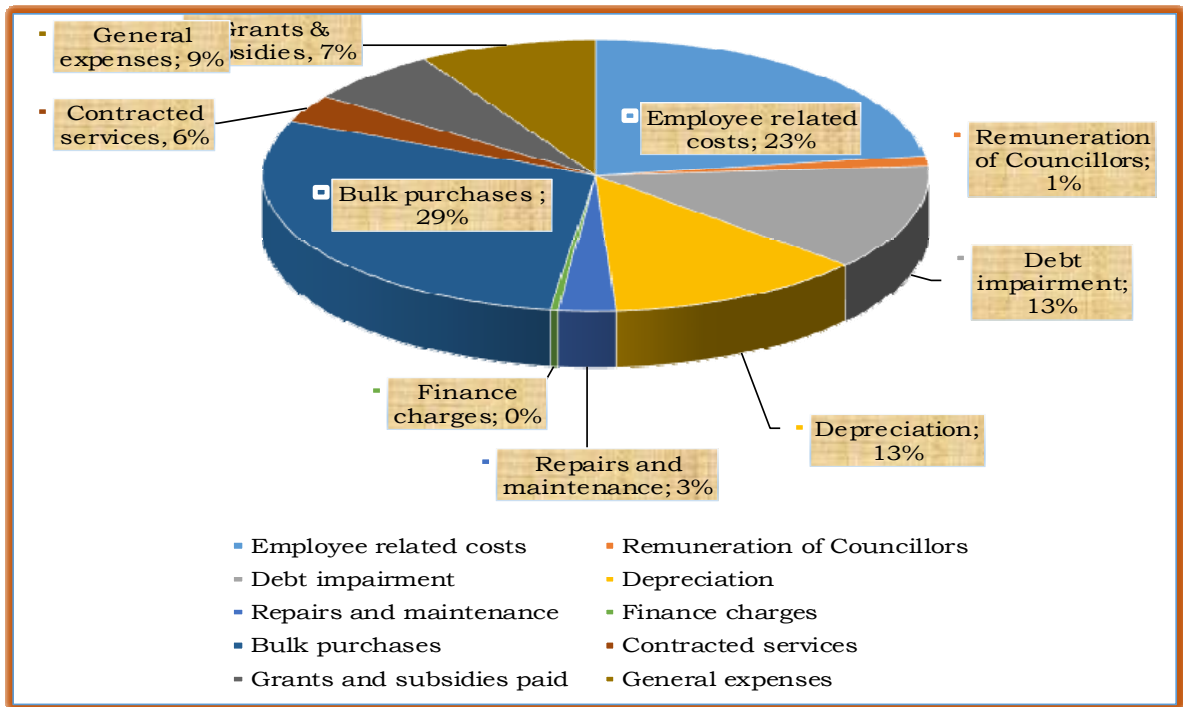
The expenditure budget consists of operational service delivery items and provides, inter alia, for the following:

Table13 Operating Expenditure by Standard classification item

Description	Pre- Audited Outcomes 2016/17	Original Budget 2017/18	MTREF			
			Budget Year 2018/19	% in relation to 2018/19 budget year	Budget Year+1 2019/20	Budget Year+2 2020/21
	R'000	R'000	R'000		R'000	R'000
Employee related costs	462 666	455 734	489 197	23%	513 699	546 089
Remuneration of Councillors	24 223	23 357	25 232	1%	26 751	28 338
Debt impairment and debt relief	56 026	270 000	270 000	13%	286 200	303 372
Depreciation	268 781	285 000	270 940	13%	287 187	304 409
Repairs and maintenance	112 685	94 680	59 450	3%	63 017	66 798
Finance charges	23 829	4 000	8 960	0%	10 290	10 704
Bulk purchases	600 636	608 750	631 596	29%	669 741	708 721
Contracted services	96 878	82 143	71 842	3%	72 992	75 846
Grants and subsidies paid	109 000	115 540	140 000	7%	147 000	154 350
General expenses	524 167	306 675	185 758	9%	199 468	210 590
TOTAL OPERATING EXPENDITURE BY TYPE	2 278 891	2 245 879	2 152 975	100%	2 276 345	2 409 217



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The following table gives a breakdown of the main expenditure categories for the 2018/19 financial year:

Table 14 Operating Expenditure By Vote

Expenditure By Vote	Pre- Audited Outcomes 2016/17	Original Budget 2017/18	MTREF			
			Budget Year 2018/19	% in relation to 2018/19 budget year	Budget Year+1 2019/20	Budget Year+2 2020/21
	R'000	R'000	R'000		R'000	R'000
Legislative Authority	127 005	97 574	49 359	2%	52 320	55 459
Office of the Municipal Manager	39 944	45 136	28 139	1%	29 828	31 617
Corporate Services	62 760	52 684	48 322	2%	51 221	54 295
Financial services	845 844	787 784	800 034	37%	848 968	898 697
Municipal Infrastructure	131 214	71 296	59 402	3%	62 966	66 744
Community Services	14 480	62 996	65 173	3%	69 083	73 228
Public Safety & Transport	115 323	102 953	87 003	4%	92 223	97 757
Sports, Parks, Arts & Culture	43 033	68 472	42 286	2%	44 824	47 513
LED & Tourism	23 103	37 073	20 660	1%	17 532	18 584
Human Settlements	9 066	11 286	9 581	0%	10 156	10 766
IDP/PMS	894	7 991	5 241		5 555	5 889
Spatial Development, Planning & Traditional Affairs	9 402	14 225	13 591	1%	14 407	15 271
Electricity Department	671 730	678 491	686 008	32%	727 168	770 798
Maluti Water (Pty) Ltd	185 092	207 916	238 185	11%	250 094	262 598
Total	2 278 890	2 245 877	2 152 984	100%	2 276 345	2 409 216



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Table 15 MBRR Table A3 – Budgeted Financial Performance (revenue and Expenditure by municipal vote)

FS194 Maluti-a-Phofung - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Revenue by Vote	1									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		306	571	567	500	-	500	500	530	562
Vote 4 - Financial Services		974 031	700 893	837 707	750 959	-	750 959	786 589	856 812	922 271
Vote 5 - Municipal Infrastructure		207 082	186 396	108 180	335 624	-	335 624	350 407	366 674	406 229
Vote 6 - Community Services		29 420	35 173	37 609	37 954	-	37 954	40 207	42 619	45 176
Vote 7 - Public Safety & Transport		1 965	38 084	18 716	14 992	-	14 992	15 866	16 818	17 827
Vote 8 - Sports, Parks, Arts & Culture		540	673	643	437	-	437	3 213	1 841	2 020
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	2 809	5 580	10 799	-	10 799	4 120	-	-
Vote 10 - Human Settlements		55	483	1 364	1 900	-	1 900	1 999	2 119	2 246
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		602	438	69	3 197	-	3 197	3 389	3 592	3 808
Vote 13 - Electricity Department		406 896	273 770	284 668	562 332	-	562 332	380 704	403 546	427 759
Vote 14 - Maluti Water (Pty) Ltd		121 420	97 519	136 652	207 916	-	207 916	238 185	250 094	262 598
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 742 319	1 336 810	1 431 755	1 926 610	-	1 926 610	1 825 178	1 944 645	2 090 496
Expenditure by Vote to be appropriated	1									
Vote 1 - Legislative Authority		49 767	148 304	127 005	97 574	-	97 574	49 359	52 320	55 459
Vote 2 - Office of the Municipal Manager		10 362	25 989	40 838	45 136	-	45 136	28 139	29 828	31 617
Vote 3 - Corporate Services		31 101	40 237	62 760	52 684	-	52 684	48 322	51 221	54 295
Vote 4 - Financial Services		538 731	725 248	845 844	787 784	-	787 784	800 027	848 968	898 697
Vote 5 - Municipal Infrastructure		221 957	144 893	79 570	71 296	-	71 296	59 402	62 966	66 744
Vote 6 - Community Services		54 842	55 581	64 140	62 997	-	62 997	65 173	69 083	73 228
Vote 7 - Public Safety & Transport		62 842	88 515	115 323	102 953	-	102 953	87 003	92 223	97 757
Vote 8 - Sports, Parks, Arts & Culture		35 097	39 272	43 033	68 472	-	68 472	42 286	44 824	47 513
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		3 794	17 718	23 103	37 073	-	37 073	20 660	17 532	18 584
Vote 10 - Human Settlements		15 008	12 182	9 066	11 286	-	11 286	9 581	10 156	10 766
Vote 11 - IDP- PMS Department		-	-	-	7 991	-	7 991	5 241	5 555	5 889
Vote 12 - Spatial Development, Planning & Traditional		7 789	10 178	9 402	14 225	-	14 225	13 591	14 407	15 271
Vote 13 - Electricity Department		726 459	761 197	673 715	678 491	-	678 491	686 008	727 168	770 798
Vote 14 - Maluti Water (Pty) Ltd		115 144	118 158	185 092	207 916	-	207 916	238 185	250 094	262 598
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 872 893	2 187 470	2 278 890	2 245 878	-	2 245 878	2 152 976	2 276 345	2 409 216
Surplus/(Deficit) for the year	2	(130 574)	(850 661)	(847 135)	(319 268)	-	(319 268)	(327 798)	(331 700)	(318 720)

1.5.1 EMPLOYEE RELATED COST AND REMUNERATION OF COUNCILLORS

- The allocation for employee related cost for 2018/19 amount to **R489 million** which equals to **23 per cent** of the total operating expenditure, and **R25 million** for remuneration of Councillors allowances which constitutes 1% of the total operating expenditure. The increase in employee related costs is mainly due to the provision of salary increase in the next financial year (2018/19). The *Salary and Wage Collective Agreement* for the period 01 July 2015 to 31 June 2018 has come to an end. The process is under consultation; therefore, in the absence of other information from the South African Local Government Bargaining Council communication will be provided at a later stage



1.5.2 REPAIRS AND MAINTENANCE

Repairs and Maintenance constitutes 3% of our total annual operating expenditure. This category includes all labour, vehicle and material costs for the repair and maintenance of the assets of the Municipality. It includes both contracted services and services performed by employees. The total cost of asset maintenance is disclosed in this category to enable an evaluation of asset performance.

The repairs and maintenance of buildings, fixed assets, roads, grounds and open spaces, motors and pumps, network reticulations, substations, VIP toilets, storm water systems, vehicles, transformers and CCTV cameras will be included in this category. The deferral of maintenance expenditure on assets has the effect of increasing future maintenance costs and also has potential for reducing the economic life of the asset and hence the flow of economic benefits. Deferrals and the impact thereof should be indicated clearly in the operational plans.

In determining the budget under this section, the following should also be allowed for:

- o New assets to be acquired during the course of the year and which would require maintenance.
- o Capital assets to be sold or disposed of in the course of the year and which would not require further maintenance.

Departments must indicate their needs to maintain the assets of the Municipality in the repairs and maintenance master plans. Departments must also indicate in their operational plans their annual requirements and the deferred maintenance needs.

Table 16 Repairs and Maintenance per asset class

DESCRIPTION	ORIGINAL BUDGET 2017/18	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20	PROPOSED BUDGET 2020/21
R & M - BUILDINGS	3 000 000	1 500 000	1 590 000	1 685 400
R & M - COMPUTER EQUIPMENT	800 000	100 000	106 000	112 360
R & M - EQUIPMENT & TOOLS	400 000	50 000	53 000	56 180
R & M - FURNITURE	300 000	-	-	-
R & M - RESURFACING OF ROADS	33 400 000	25 000 000	26 500 000	28 090 000
R & M - GROUNDS & OPEN SPACES	1 000 000	500 000	530 000	561 800
R & M - MOTORS & PUMPS	330 000	300 000	318 000	337 080
R & M - NETWORK RETICULATION	15 000 000	10 000 000	10 600 000	11 236 000
R & M - MAINTANANCE OF VIP TOILETS	3 000 000	3 000 000	3 180 000	3 370 800
R & M - STREETS & STORMWATER (COOPERATIVES)	5 000 000	3 000 000	3 180 000	3 370 800
R & M - SUBSTATIONS	8 500 000	8 000 000	8 480 000	8 988 800
R & M - VEHICLES	3 500 000	2 000 000	2 120 000	2 247 200
R & M - TRANFORMERS	6 800 000	6 000 000	6 360 000	6 741 600
R & M- CCTV CAMERAS	1 200 000	-	-	-
R & M- MAP WATER	12 449 866,80	-	-	-
TOTAL	94 679 866,80	59 450 000,00	63 017 000,00	66 798 020,00



1.5.3 BULK PURCHASES (ELECTRICITY & WATER)

Proposed Bulk purchases of electricity and water amounts to R631.5 million which constitutes 29% of the expenditure for 2018/2019 the change is directly informed by the tariff in purchases of bulk electricity from Eskom, actual payments to date in the current financial year and the amount to payoff arrears.

1.5.4 FINANCE CHARGES

Finance charges include the payment of interest and redemption on external loans by municipality. This constitutes 0% of the total annual operating expenditure for 2018/2019

1.5.5 CONTRACTED SERVICES

This includes services which the municipality lacks human capital and skills in, which have a period of more than one year and these services include amongst others electricity, financial system, landside fill, streetlights, valuation roll, revenue enhancement project and Municipal building insurance. This constitutes 3% of the proposed expenditure for 2018/2019

1.5.6 GRANTS AND SUBSIDIES PAID

These are the grants that the municipality is paying over to the Entity on monthly basis equitably, it constitutes 7% of the proposed expenditure for 2018/2019

1.5.8 GENERAL EXPENSES

General expenses consist mainly of various line items relating to the daily operations of the municipality like, fuel cost, bank charges, consultant fees, training fees, electricity disconnection fees, stationary, printing and postage cost, telecommunication, various rentals, bursaries, legal charges etc.

1.5.9 PROVISION FOR DEBTS IMPAIRMENT AND DEPRECIATION AND ASSETS IMPAIRMENT

The provision for debt impairment was determined based on an annual collection rate (Current payment levels) and this expenditure is considered to be a non-cash flow item, it constitutes 13% of the total operating expenditure. This line item was not increased because of the revenue enhancement strategies in place and the intended constant enforcement of credit control policy.

The provision for depreciation and assets impairment constitutes 13% of our total operating expenditure. The Municipality should consider auctioning the current fleet it has and work towards buying new yellow and white fleet.



1.6 CAPITAL BUDGET

The IDP process informs the budget and the preparation of the capital budget is based on the capital development priorities approved through the Intergrated Development Plan (IDP).

The capital budget consists of the non-operational needs of the community as well. The procurement of assets, with a lifespan of more than one year is classified as capital expenditure also.

1.6.1 CONSOLIDATED CAPITAL BY FUNDING SOURCE

The projected annual capital budget amounts to R223.3 million for the 2018/19 financial year, which represents a decrease of R49 million (18%) above the approved annual capital budget for 2017/18.

Table 17 Medium Term Capital funding

MTREF				
Description	Original allocation for 2017/18	Budget Year 2018/19	Budget Year+1 2019/20	Budget Year+2 2020/21
CAPITAL GRANTS	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant (MIG)	165 732	159 321	162 763	172 285
Integrated Electrification Programme (INEG)	-	29 000	19 200	38 400
Water Services Infrastructure Grant (WSIG)	50 000	35 000	50 000	52 750
Total National Grants	215 732	223 321	231 963	263 435
OWN FUNDS ALLOCATIONS				
Capital Fixed Assets	9 000			
Capital projects	47 700			
Total own funds allocation	56 700	-	-	-
TOTAL ASSETS	272 432	223 321	231 963	263 435



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Table 18 MBRR Table A5- Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

FS194 Maluti-a-Phofung - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		153 779	204 464	143 998	263 432	-	263 432	-	223 321	231 963	263 435
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	153 779	204 464	143 998	263 432	-	263 432	-	223 321	231 963	263 435
Single-year expenditure to be appropriated	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		781	221	209	2 000	-	2 000	-	-	-	-
Vote 3 - Corporate Services		-	-	120	500	-	500	-	-	-	-
Vote 4 - Financial Services		808	194	6	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		-	-	42 896	5 000	-	5 000	-	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	633	1 500	-	1 500	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1 590	415	43 864	9 000	-	9 000	-	-	-	-
Total Capital Expenditure - Vote		155 369	204 879	187 862	272 432	-	272 432	-	223 321	231 963	263 435
Capital Expenditure - Functional											
Governance and administration		1 590	415	336	7 500	-	7 500	-	-	-	-
Executive and council		781	221	329	7 500	-	7 500	-	-	-	-
Finance and administration		808	194	6	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		32 367	51 002	84 916	85 202	-	85 202	-	61 520	24 742	22 897
Community and social services		12 810	13 040	30 043	56 830	-	56 830	-	45 532	18 244	20 871
Sport and recreation		19 557	37 962	54 240	26 873	-	26 873	-	15 988	6 499	2 026
Public safety		-	-	633	1 500	-	1 500	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		26 571	62 226	41 237	54 202	-	54 202	-	31 595	12 278	16 344
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		26 571	62 226	41 237	54 202	-	54 202	-	31 595	12 278	16 344
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		94 841	91 235	45 690	117 186	-	117 186	-	122 240	186 805	215 579
Energy sources		38 994	37 340	4 595	12 600	-	12 600	-	29 798	19 200	49 898
Water management		31 548	32 620	32 314	61 405	-	61 405	-	52 919	117 809	120 698
Waste water management		24 299	21 276	8 782	43 181	-	43 181	-	39 522	49 796	44 983
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	15 683	8 342	-	8 342	-	7 966	8 138	8 614
Total Capital Expenditure - Functional	3	155 369	204 879	187 862	272 432	-	272 432	-	223 321	231 963	263 435
Funded by:											
National Government		116 824	186 197	187 862	215 732	-	215 732	-	223 321	231 963	263 435
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	116 824	186 197	187 862	215 732	-	215 732	-	223 321	231 963	263 435
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		38 545	18 682	-	56 700	-	56 700	-	-	-	-
Total Capital Funding	7	155 369	204 879	187 862	272 432	-	272 432	-	223 321	231 963	263 435



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Table 19 -List of Capital Project for 2018/19

PROJECTS FROM MIG GRANT	TOWN	WARD NO	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20	PROPOSED BUDGET 2020/21
PMU Establishment			7 966 050	8 138 150	8 614 250
Bluegumbosch: New indoor Sport and Recreational Facility (MIS:245891)	Bluegumbosch	34	4 224 394	1 498 519	
Intabazwe: Upgrading of recreational and sports facilities at Intabazwe Stadium (MIS:264315)	Intabazwe	5	11 763 990	5 000 000	2 026 334
Wilge: Upgrading of the Wilge Waste Water Treatment Works - Phase 1 (MIS:268482)	Wilgepark	6	1 836 597	-	
Intabazwe: Paving of 6km roads - Phase 2	Intabazwe	22	3 419 584	-	-
Tshiame B: Paving of 6km roads - Phase 2B	Tshiame	1&6	558 066	-	-
Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections (Qwaqwa Rural) Phase 3B	Manguang, Naledi	12 & 17	731 901	-	-
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections (Qwaqwa Rural) Phase 3C	Bolata, Phameng	12 & 35	5 361 000	257 964	-
Intabazwe/Harrismith: New Commuter infrastructure facility (MIS:264316)	Intabazwe	5	3 101 164	1 166 842	-
Phuthaditjhaba/Qwaqwa: New taxi facility - phase 1 (MIS:226018)	Phuthaditjhaba	27	13 571 108	5 023 981	2 374 802
Harrismith/Intabazwe-Ext3: Construction of sewer outfall line and rising main (MIS:236415)	Intabazwe Ext 3	18	5 313 046	398 249	
Namahadi: Construction of 5km paved roads and storm water phase 2 (MIS:240386)	Namahadi	18	13 613 773	3 100 169	1 519 978
Tshiame: Construction of 4.5km paved roads and storm water drainage phase 3 (MIS:240998)	Tshiame B	6	14 003 731	9 177 642	915 237
Kestell/Tholong: Construction of a new taxi facility (MIS:255150)	Tholong	3	15 949 916	5 528 134	1 082 478
Harrismith/Tshiame B: Construction of a new taxi facility (MIS:255146)	Tshiame	1&6	12 909 581	5 724 836	1 237 130
Thabong: Construction of sewer reticulation network to 1209 stands (MIS:264287)	Lusaka	24	12 562 889	2 551 378	1 246 609
Bluegumbosch: Construction of sewer reticulation network to 2367 stands - phase 1 (MIS:264308)	Bluegumbosch	34	12 440 178,79	933 826,08	
Khotsong: Construction of sewer reticulation network to 510 stands (MIS:264119)	Lusaka	30	2 006 032	361 266	
Wilge: Construction of the Wilge waste water treatment works - phase 2 (MIS:268506)	Wilgepark	6	-	-	
Intabazwe/Harrismith: Rectification of water supply pipeline (MIS:278789)	Intabazwe	6	3 391 686	158 314	
Phuthaditjhaba: Upgrading of Town Hall (MIS:269245)	Phuthaditjhaba	27	-	-	10 450 000
Phuthaditjhaba: Upgrading of 1km paved road Motebang - phase 1 (MIS:276324)	Phuthaditjhaba	27	-		11 300 000



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PROJECTS FROM MIG GRANT	TOWN	WARD NO	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20	PROPOSED BUDGET 2020/21
Maluti-a-Phofung: High mast lights in 4 towns (Phase 2)	Kestel, Harrismith, Phuthaditjhaba	all 35 wards	798 089	-	11 498 000
Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters	Intabazwe	4	1 950 782	19 250 000	17 646 063
Intabazwe Ext. 3: Construction of Waterborne Sewer Network	Intabazwe	4	1 507 493	14 725 000	12 401 604
Namahadi: Construction of Sewer Network	Namahadi	18	3 855 909	8 207 792	10 898 000
Wilge: Construction of a 4 MI Reservoir	Wilgepark Harrismith	6	5 317 198	4 030 802	5 652 000
Monontsha: Water Network 500 stands and supply line Phase 1	Monontsha	11	1 166 842	5 983 158	9 850 000
VIP Toilets Project Phase 12A		21,23,25	-	12 000 000	10 745 694
Matebeleng 3ML Reservoir	Matebeleng	8	-	9 000 000	4 000 000
Hlatseng: Water Network 200 stands and supply line	Hlatseng	11	-	5 930 000	270 000
Mphatlalatsane: Water Network 500 stands and supply line Phase 1	Mphatlalatsane	2	-	4 851 999	9 472 336
Refurbishment of Sewer Pump Stations	Bluegumbosch	7, 13, 15, 17, 19, 20, 23, 24, 26, 27, 29, 30, 32, 33,34	-	10 618 446	9 691 521
Chris Hani Park: Water Reticulation 500 Stands		28	-	9 350 000	7 650 000
Thaba Bosiu Water Pipeline	Thaba bosiu	19	-	8 996 532	7 457 774
Refurbishment of Charles Mopedi Stadium		23	-	800 000	4 000 000
Monontsha:Construction of footbridge	Monontsha; Bolata; Paballong	11	-		2 609 000
Upgrade of Platberg Stadium Phase 1	Harrismith	6	-	-	1 726 491
Upgrading of water pump stations		9, 11, 12, 14, 16, 19, 21, 25, 27,29, 34, 35	-		3 059 174
Construction 4MI Reservoir in Qholaqwe		24	-		2 890 524
TOTAL MIG PROJECTS			159 321 000	162 763 000	172 285 000
CAPITAL PROJECTS FROM OTHER SOURCES OF FUNDING	TOWN	WARD NO	PROPOSED BUDGET 2018/19	PROPOSED BUDGET 2019/20	PROPOSED BUDGET 2020/21
Integrated National Electrification Programme (municipal) grant-(INEP) DOE	Kgabisi	32	29 000 000	19 200 000	38 400 000
Water Services Infrastructure Grant (WSIG)	Kestell	3	35 000 000	50 000 000	52 750 000
TOTAL CAPITAL PROJECTS FROM OTHER SOURCES OF FUNDING			64 000 000	69 200 000	91 150 000
TOTAL CAPITAL PROJECTS			223 321 000	231 963 000	263 435 000



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

1.7 PROPOSED ANNUAL BUDGET TABLES -PARENT MUNICIPALITY

The following tables present the Municipality's main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables indicate operating income and expenditure budget for 2018/19 and two outer years.

TABLE 20 MBRR Table A1 – Budget summary

FS194 Maluti-a-Phofung - Table A1 Budget Summary										
Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	120 001	208 270	158 750	207 596	–	207 596	–	207 596	220 052	233 255
Service charges	553 639	403 380	426 430	712 889	–	712 889	–	540 260	572 676	607 036
Investment revenue	759	2 036	2 304	2 900	–	2 900	–	2 900	3 074	3 258
Transfers recognised - operational	394 689	454 043	458 944	503 632	–	503 632	–	547 804	597 768	647 753
Other own revenue	466 757	82 884	69 944	75 944	–	75 944	–	65 112	69 019	73 160
Total Revenue (excluding capital transfers and contributions)	1 535 845	1 150 612	1 116 372	1 502 962	–	1 502 962	–	1 363 672	1 462 588	1 564 463
Employee costs	256 577	318 397	348 550	343 185	–	343 185	–	356 250	377 625	400 283
Remuneration of councillors	23 489	23 134	24 141	23 357	–	23 357	–	24 758	26 244	27 819
Depreciation & asset impairment	279 224	279 489	268 475	280 100	–	280 100	–	270 000	286 200	303 372
Finance charges	4 206	20 685	9 009	4 000	–	4 000	–	5 000	5 300	5 618
Materials and bulk purchases	889 069	768 345	681 720	661 430	–	661 430	–	659 450	699 017	740 958
Transfers and grants	–	–	109 000	115 540	–	115 540	–	140 000	147 000	154 350
Other expenditure	305 184	659 261	652 903	610 349	–	610 349	–	459 333	484 866	514 219
Total Expenditure	1 757 749	2 069 312	2 093 798	2 037 962	–	2 037 962	–	1 914 792	2 026 251	2 146 618
Surplus/(Deficit)	(221 904)	(918 700)	(977 427)	(535 000)	–	(535 000)	–	(551 119)	(563 663)	(582 155)
Transfers and subsidies - capital (monetary allocation)	206 474	186 197	178 731	215 732	–	215 732	–	223 321	231 963	263 435
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(15 431)	(732 503)	(798 695)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(15 431)	(732 503)	(798 695)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)
Capital expenditure & funds sources										
Capital expenditure	155 369	204 879	187 862	272 432	–	272 432	–	223 321	231 963	263 435
Transfers recognised - capital	116 824	186 197	187 862	215 732	–	215 732	–	223 321	231 963	263 435
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	38 545	18 682	–	56 700	–	56 700	–	–	–	–
Total sources of capital funds	155 369	204 879	187 862	272 432	–	272 432	–	223 321	231 963	263 435
Financial position										
Total current assets	670 952	529 045	576 384	943 577	–	943 577	–	610 967	647 625	686 483
Total non current assets	3 072 350	2 996 517	3 519 072	3 146 343	–	3 146 343	–	3 733 887	3 957 921	4 195 396
Total current liabilities	1 156 771	1 786 390	2 617 957	1 872 713	–	1 872 713	–	2 767 823	2 933 892	3 109 926
Total non current liabilities	74 897	78 200	70 850	81 630	–	81 630	–	75 101	79 607	84 384
Community wealth/Equity	2 511 634	1 660 973	1 406 650	2 135 578	–	2 135 578	–	1 501 930	1 592 046	1 687 569
Cash flows										
Net cash from (used) operating	66 526	210 415	189 610	249 981	–	249 981	–	231 485	232 543	264 050
Net cash from (used) investing	(140 681)	(205 858)	(187 850)	(245 189)	–	(245 189)	–	(223 321)	(231 963)	(263 435)
Net cash from (used) financing	(16 217)	(3 222)	(600)	(5 000)	–	(5 000)	–	–	–	–
Cash/cash equivalents at the year end	6 717	8 052	9 117	8 082	–	8 082	–	9 664	10 244	10 859
Cash backing/surplus reconciliation										
Cash and investments available	6 717	8 052	9 117	8 082	–	8 082	–	13 335	14 135	14 983
Application of cash and investments	799 191	1 094 803	2 215 612	1 116 976	–	1 116 976	–	2 392 234	2 535 768	2 687 914
Balance - surplus (shortfall)	(792 474)	(1 086 751)	(2 206 495)	(1 108 895)	–	(1 108 895)	–	(2 378 899)	(2 521 633)	(2 672 931)
Asset management										
Asset register summary (WDV)	3 071 558	2 993 502	3 512 974	3 143 177	–	3 143 177	–	3 723 753	3 947 178	4 184 009
Depreciation	279 224	279 489	268 475	280 100	–	280 100	–	270 000	286 200	303 372
Renewal of Existing Assets	8 995	14 785	–	12 566	–	12 566	–	–	11 418	13 692
Repairs and Maintenance	461 075	97 754	106 738	82 230	–	82 230	–	59 450	63 017	66 798
Free services										
Cost of Free Basic Services provided	57 927	45 873	18 529	42 558	–	42 558	45 200	45 200	47 912	50 787
Revenue cost of free services provided	715 927	3 444 860	2 830 320	2 852 700	–	2 852 700	2 852 700	2 852 700	3 023 862	3 205 294
Households below minimum service level										
Water:	4	4	4	13	13	13	13	13	13	13
Sanitation/sewage:	4	4	4	3	3	3	3	3	3	3
Energy:	45	47	47	8	8	8	8	8	8	8
Refuse:	73	73	73	87	87	87	87	87	87	87



Explanatory notes to MBRR Table A1- Budget Summary

- Table A1 represents a high-level summary of the Municipality's budget, providing a view that includes all major components of i.e. (Operating, Capital expenditure, financial position, cash flow, and MFMA funding compliance)
 - The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic services delivery backlogs.
 - Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flows Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
- 1) The municipality's financial performance shows a deficit position over 2018/19 MTREF contributed by non-cash items.
 - 2) The municipality's capital expenditure is funded from the following
 - Transfers recognised- capital as reflected on the Financial Performance
 - 3) The municipality's deficit reconciliation over the 2018/19 MTREF shows a negative and increasing trend, which is an indication that the Municipality will struggle to afford its commitments over the next three years. Revenue enhancement strategies should be urgently developed



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 21

FS194 Maluti-a-Phofung - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		974 944	701 536	838 274	751 459	-	751 459	787 089	857 342	922 833
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		974 944	701 536	838 274	751 459	-	751 459	787 089	857 342	922 833
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		2 589	3 707	5 157	6 022	-	6 022	9 093	8 074	8 627
Community and social services		1 775	2 482	3 296	3 373	-	3 373	3 535	3 747	3 972
Sport and recreation		540	673	643	437	-	437	3 213	1 841	2 020
Public safety		274	205	370	563	-	563	596	632	670
Housing		-	348	847	1 650	-	1 650	1 749	1 854	1 965
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		208 769	224 641	18 415	233 358	-	233 358	241 980	251 741	284 400
Planning and development		207 076	186 635	69	218 929	-	218 929	226 710	235 555	267 243
Road transport		1 693	38 006	18 346	14 429	-	14 429	15 270	16 186	17 157
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		556 017	404 116	427 677	717 056	-	717 056	544 712	577 394	612 038
Energy sources		406 896	273 770	284 668	562 332	-	562 332	380 704	403 546	427 759
Water management		72 194	42 927	69 805	78 315	-	78 315	83 014	87 995	93 274
Waste water management		49 226	54 593	38 375	41 577	-	41 577	44 072	46 716	49 519
Waste management		27 700	32 826	34 829	34 832	-	34 832	36 921	39 137	41 485
Other	4	-	2 809	5 580	10 799	-	10 799	4 120	-	-
Total Revenue - Functional	2	1 742 319	1 336 810	1 295 103	1 718 694	-	1 718 694	1 586 993	1 694 551	1 827 898
Expenditure - Functional										
<i>Governance and administration</i>		632 006	972 463	831 519	1 012 299	-	1 012 299	954 290	1 012 487	1 072 027
Executive and council		50 007	159 302	157 182	113 285	-	113 285	57 876	61 349	65 029
Finance and administration		578 202	809 418	670 091	894 516	-	894 516	891 775	946 221	1 001 785
Internal audit		3 796	3 743	4 245	4 498	-	4 498	4 639	4 918	5 213
<i>Community and public safety</i>		77 108	113 000	141 408	147 974	-	147 974	113 795	120 623	127 860
Community and social services		14 049	23 242	31 442	22 754	-	22 754	23 268	24 664	26 144
Sport and recreation		35 097	39 272	43 804	68 472	-	68 472	42 286	44 824	47 513
Public safety		22 670	44 902	58 762	50 413	-	50 413	41 843	44 353	47 015
Housing		5 293	5 584	7 400	6 335	-	6 335	6 398	6 782	7 188
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		271 663	172 185	135 559	131 534	-	131 534	98 755	104 680	110 961
Planning and development		9 534	20 760	11 042	37 098	-	37 098	24 696	26 178	27 748
Road transport		262 129	151 425	124 517	94 436	-	94 436	74 059	78 503	83 213
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		774 924	804 528	957 264	723 963	-	723 963	733 156	777 145	823 774
Energy sources		726 459	761 197	906 398	678 491	-	678 491	686 008	727 168	770 798
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		48 464	43 331	50 865	45 472	-	45 472	47 148	49 977	52 976
Other	4	2 049	7 136	28 048	22 191	-	22 191	14 796	11 317	11 995
Total Expenditure - Functional	3	1 757 749	2 069 312	2 093 798	2 037 962	-	2 037 962	1 914 792	2 026 251	2 146 618
Surplus/(Deficit) for the year		(15 431)	(732 503)	(798 695)	(319 268)	-	(319 268)	(327 798)	(331 700)	(318 720)

Explanatory notes to MBRR Table A2- Budgeted Financial Performance **(Revenue and expenditure by standard classification)**

- Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.
- This table highlights that the revenues for Trading services exceed their expenditure and this is absorbed within the rates revenue and other service charges, however the municipality will undertake a project to compile a transparent tariff structure to explore ways of improving efficiencies.
- Other functions that show a deficit when comparing revenue and expenditure are financed from rates and taxes revenues and other revenues sources reflected under the Budget and treasury office.



**Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019
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TABLE 22

FS194 Maluti-a-Phofung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		306	571	567	500	-	500	500	530	562
Vote 4 - Financial Services		974 031	700 893	837 707	750 959	-	750 959	786 589	856 812	922 271
Vote 5 - Municipal Infrastructure		328 502	283 915	108 180	335 624	-	335 624	350 407	366 674	406 229
Vote 6 - Community Services		29 420	35 173	37 609	37 954	-	37 954	40 207	42 619	45 176
Vote 7 - Public Safety & Transport		1 965	38 084	18 716	14 992	-	14 992	15 866	16 818	17 827
Vote 8 - Sports, Parks, Arts & Culture		540	673	643	437	-	437	3 213	1 841	2 020
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		-	2 809	5 580	10 799	-	10 799	4 120	-	-
Vote 10 - Human Settlements		55	483	1 364	1 900	-	1 900	1 999	2 119	2 246
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		602	438	69	3 197	-	3 197	3 389	3 592	3 808
Vote 13 - Electricity Department		406 896	273 770	284 668	562 332	-	562 332	380 704	403 546	427 759
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 742 319	1 336 810	1 295 103	1 718 694	-	1 718 694	1 586 993	1 694 551	1 827 898
Expenditure by Vote to be appropriated	1									
Vote 1 - Legislative Authority		49 767	148 304	127 005	97 574	-	97 574	49 359	52 320	55 459
Vote 2 - Office of the Municipal Manager		10 362	25 989	40 838	45 136	-	45 136	28 139	29 828	31 617
Vote 3 - Corporate Services		31 101	40 237	62 760	52 684	-	52 684	48 322	51 221	54 295
Vote 4 - Financial Services		538 731	725 248	845 844	787 784	-	787 784	800 027	848 968	898 697
Vote 5 - Municipal Infrastructure		221 957	144 893	79 570	71 296	-	71 296	59 402	62 966	66 744
Vote 6 - Community Services		54 842	55 581	64 140	62 997	-	62 997	65 173	69 083	73 228
Vote 7 - Public Safety & Transport		62 842	88 515	115 323	102 953	-	102 953	87 003	92 223	97 757
Vote 8 - Sports, Parks, Arts & Culture		35 097	39 272	43 033	68 472	-	68 472	42 286	44 824	47 513
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		3 794	17 718	23 103	37 073	-	37 073	20 660	17 532	18 584
Vote 10 - Human Settlements		15 008	12 182	9 066	11 286	-	11 286	9 581	10 156	10 766
Vote 11 - IDP- PMS Department		-	-	-	7 991	-	7 991	5 241	5 555	5 889
Vote 12 - Spatial Development, Planning & Traditional		7 789	10 178	9 402	14 225	-	14 225	13 591	14 407	15 271
Vote 13 - Electricity Department		726 459	761 197	673 715	678 491	-	678 491	686 008	727 168	770 798
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 757 749	2 069 312	2 093 798	2 037 962	-	2 037 962	1 914 792	2 026 251	2 146 618
Surplus/(Deficit) for the year	2	(15 431)	(732 503)	(798 695)	(319 268)	-	(319 268)	(327 798)	(331 700)	(318 720)

Explanatory notes to MBRR Table A3- Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.
- The Water and sanitation is responsibility of the Municipal entity



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 23

FS194 Maluti-a-Phofung - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	120 001	208 270	158 750	207 596	–	207 596	–	207 596	220 052	233 255
Service charges - electricity revenue	2	405 424	273 034	283 358	558 165	–	558 165	–	376 253	398 828	422 757
Service charges - water revenue	2	71 289	42 927	69 867	78 315	–	78 315	–	83 014	87 995	93 274
Service charges - sanitation revenue	2	49 226	54 593	38 375	41 577	–	41 577	–	44 072	46 716	49 519
Service charges - refuse revenue	2	27 700	32 826	34 829	34 832	–	34 832	–	36 921	39 137	41 485
Service charges - other		–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		850	1 064	1 142	1 284	–	1 284	–	1 346	1 426	1 512
Interest earned - external investments		759	2 036	2 304	2 900	–	2 900	–	2 900	3 074	3 258
Interest earned - outstanding debtors		16 771	24 926	31 514	31 800	–	31 800	–	33 708	35 730	37 874
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		880	37 662	17 863	14 012	–	14 012	–	14 853	15 744	16 689
Licences and permits		–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies		394 689	454 043	458 944	503 632	–	503 632	–	547 804	597 768	647 753
Other revenue	2	448 256	19 233	19 424	28 848	–	28 848	–	15 206	16 118	17 085
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		1 535 845	1 150 612	1 116 372	1 502 962	–	1 502 962	–	1 363 672	1 462 588	1 564 463
Expenditure By Type											
Employee related costs	2	256 577	318 397	348 550	343 185	–	343 185	–	356 250	377 625	400 283
Remuneration of councillors		23 489	23 134	24 141	23 357	–	23 357	–	24 758	26 244	27 819
Debt impairment	3	(162 674)	255 270	63 327	270 000	–	270 000	–	270 000	286 200	303 372
Depreciation & asset impairment	2	279 224	279 489	268 475	280 100	–	280 100	–	270 000	286 200	303 372
Finance charges		4 206	20 685	9 009	4 000	–	4 000	–	5 000	5 300	5 618
Bulk purchases	2	422 368	665 334	574 983	579 200	–	579 200	–	600 000	636 000	674 160
Other materials	8	466 701	103 010	106 738	82 230	–	82 230	–	59 450	63 017	66 798
Contracted services		58 034	62 139	94 457	82 143	–	82 143	–	63 000	66 780	70 787
Transfers and subsidies		–	–	109 000	115 540	–	115 540	–	140 000	147 000	154 350
Other expenditure	4, 5	403 567	341 189	495 119	258 206	–	258 206	–	126 333	131 886	140 060
Loss on disposal of PPE		6 256	663	–	–	–	–	–	–	–	–
Total Expenditure		1 757 749	2 069 312	2 093 798	2 037 962	–	2 037 962	–	1 914 792	2 026 251	2 146 618
Surplus/(Deficit)		(221 904)	(918 700)	(977 427)	(535 000)	–	(535 000)	–	(551 119)	(563 663)	(582 155)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		206 474	186 197	178 731	215 732	–	215 732	–	223 321	231 963	263 435
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(15 431)	(732 503)	(798 695)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)
Taxation											
Surplus/(Deficit) after taxation		(15 431)	(732 503)	(798 695)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)
Attributable to minorities											
		(15 431)	(732 503)	(798 695)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)
Surplus/(Deficit) attributable to municipality											
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(15 431)	(732 503)	(798 695)	(319 268)	–	(319 268)	–	(327 798)	(331 700)	(318 720)

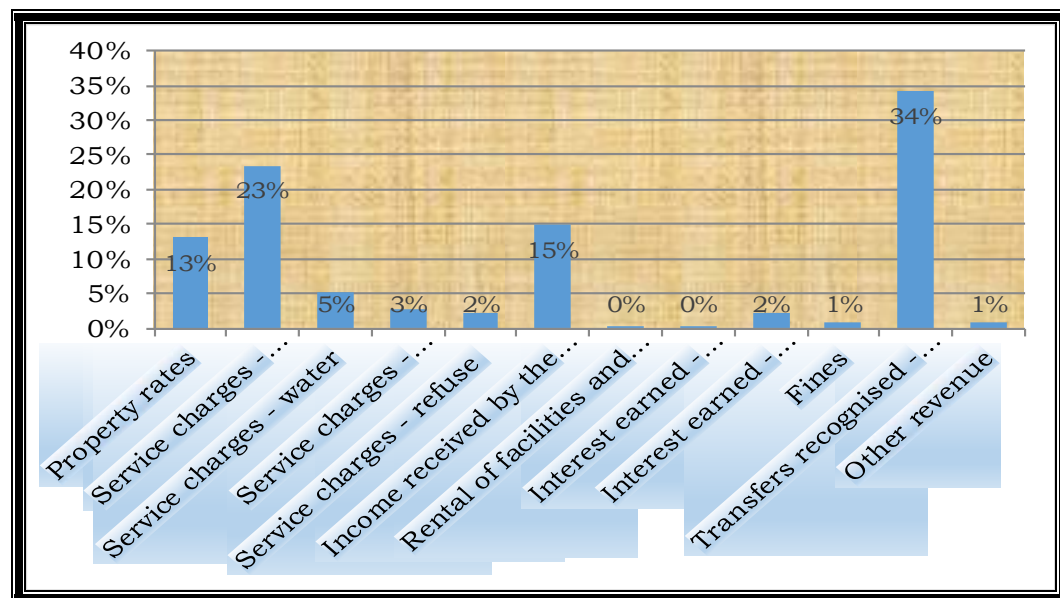
Explanatory notes to Table A4-Budgeted Financial Performance (revenue and expenditure)

- Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. The projected annual revenue as reflected in this table amounts to R1,363,672,246 (R1.364 billion) for the 2018/19 financial year, which represents a decrease of R139.2 million (9%) less than the Annual budget for 2017/18. The projected annual expenditure as reflected in this table amounts to R1,914,791,679 (R1.915 billion) which represents a decrease of R123.1 million (6%).
- Revenue to be generated from Property Rates amounts to R207, 596 million in the 2018/19 financial year and increases to R233, 255 million by 2019/20.

This revenue represents 15% of the operating revenue base of the municipality and therefore remains significant funding source for the municipality.

- Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the municipality totalling to R540,260 million for the 2018/19 financial year and increasing to R572,676 million and R607,036 million in 2019/20 and 2020/2021 respectively. For the 2018/19 financial year, service charges are 40% of the total anticipated revenue.
- Transfers Recognised- Operating includes the equitable share and the finance management grant from national government. The grants receipts from National government seem to be more by 9 per cent in 2018/2019 as compared to 2017/2018, the allocations increase by 9% for 2018/19 and 8% for the 2020/21 outer years.

The following graph illustrates the major revenue items per type.



- Bulk purchases have increased from R600 million from the annual budget 2017/2018 to R636 million in 2018/2019. This change is attributed to substantial increase in the cost of bulk electricity from Eskom.
- Employee related costs is also the main cost driver within the Municipality's operating Expenditure, i.e. from R366,542 million to R381,008 million a provision has been made as per circular 91 and other critical vacant positions.
- Other Expenditure consist mainly of various line items relating to daily operations of the municipality like, fuel cost, bank charges, consultant fees, audit fees, telecommunication, printing and postage cost, bursaries, etc.

TABLE 24



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

FS194 Maluti-a-Phofung - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Capital expenditure - Vote											
<i>Multi-year expenditure to be appropriated</i>	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		153 779	204 464	143 998	263 432	-	263 432	-	223 321	231 963	263 435
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	-	-	-	-	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED,Tourism,SMME's,Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	153 779	204 464	143 998	263 432	-	263 432	-	223 321	231 963	263 435
<i>Single-year expenditure to be appropriated</i>	2										
Vote 1 - Legislative Authority		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		781	221	209	2 000	-	2 000	-	-	-	-
Vote 3 - Corporate Services		-	-	120	500	-	500	-	-	-	-
Vote 4 - Financial Services		808	194	6	-	-	-	-	-	-	-
Vote 5 - Municipal Infrastructure		-	-	42 896	5 000	-	5 000	-	-	-	-
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Public Safety & Transport		-	-	633	1 500	-	1 500	-	-	-	-
Vote 8 - Sports, Parks, Arts & Culture		-	-	-	-	-	-	-	-	-	-
Vote 9 - LED,Tourism,SMME's,Rural & agricultural de		-	-	-	-	-	-	-	-	-	-
Vote 10 - Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 11 - IDP- PMS Department		-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		-	-	-	-	-	-	-	-	-	-
Vote 13 - Electricity Department		-	-	-	-	-	-	-	-	-	-
Vote 14 - Maluti Water (Pty) Ltd		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1 590	415	43 864	9 000	-	9 000	-	-	-	-
Total Capital Expenditure - Vote		155 369	204 879	187 862	272 432	-	272 432	-	223 321	231 963	263 435
Capital Expenditure - Functional											
<i>Governance and administration</i>		1 590	415	336	7 500	-	7 500	-	-	-	-
Executive and council		781	221	329	7 500	-	7 500	-	-	-	-
Finance and administration		808	194	6	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		32 367	51 002	84 916	85 202	-	85 202	-	61 520	24 742	22 897
Community and social services		12 810	13 040	30 043	56 830	-	56 830	-	45 532	18 244	20 871
Sport and recreation		19 557	37 962	54 240	26 873	-	26 873	-	15 988	6 499	2 026
Public safety		-	-	633	1 500	-	1 500	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 571	62 226	41 237	54 202	-	54 202	-	31 595	12 278	16 344
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		26 571	62 226	41 237	54 202	-	54 202	-	31 595	12 278	16 344
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		94 841	91 235	45 690	117 186	-	117 186	-	122 240	186 805	215 579
Energy sources		38 994	37 340	4 595	12 600	-	12 600	-	29 798	19 200	49 898
Water management		31 548	32 620	32 314	61 405	-	61 405	-	52 919	117 809	120 698
Waste water management		24 299	21 276	8 782	43 181	-	43 181	-	39 522	49 796	44 983
Waste management		-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	15 683	8 342	-	8 342	-	7 966	8 138	8 614
Total Capital Expenditure - Functional	3	155 369	204 879	187 862	272 432	-	272 432	-	223 321	231 963	263 435
Funded by:											
National Government		116 824	186 197	187 862	215 732	-	215 732	-	223 321	231 963	263 435
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	116 824	186 197	187 862	215 732	-	215 732	-	223 321	231 963	263 435
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		38 545	18 682	-	56 700	-	56 700	-	-	-	-
Total Capital Funding	7	155 369	204 879	187 862	272 432	-	272 432	-	223 321	231 963	263 435

Explanatory Note to Table A5- Budgeted Capital Expenditure by vote, standard classification and funding source



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

1. Table A5 is a breakdown of capital programme in relation to capital expenditure by municipal vote (multi-year and single- year appropriations) capital expenditure by standard classification, and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The municipality has allocated multi-year appropriations amounting to **R223,321** million in 2018/2019 increasing to **R231,963** million and **R263,435** million in 2019/2020 and 2020/2021 respectively.
3. The Capital Budget is funded by allocations made to the Municipality by National Government and internally generated funds from current year surpluses. For 2018/2019 capital transfers total to **R223,321** million increased to **R231,963** million and **R263,435** million in 2019/2020 and 2020/2021 respectively with internally generated funding to proper rendering of services to the public

TABLE 25



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

FS194 Maluti-a-Phofung - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		6 734	8 052	9 117	8 082	–	8 082	–	9 664	10 244	10 859
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	438 134	385 311	355 856	793 029	–	793 029	–	377 208	399 840	423 831
Other debtors		219 571	129 888	207 377	136 383	–	136 383	–	219 819	233 008	246 989
Current portion of long-term receivables		1 214	645	1 864	678	–	678	–	1 976	2 095	2 220
Inventory	2	5 300	5 149	2 170	5 406	–	5 406	–	2 300	2 438	2 585
Total current assets		670 952	529 045	576 384	943 577	–	943 577	–	610 967	647 625	686 483
Non current assets											
Long-term receivables		361	2 560	5 259	2 688	–	2 688	–	5 574	5 908	6 263
Investments		–	–	–	–	–	–	–	3 671	3 891	4 125
Investment property		69 579	68 347	51 413	71 765	–	71 765	–	54 498	57 768	61 234
Investment in Associate		–	–	0	–	–	–	–	0	0	0
Property, plant and equipment	3	3 000 348	2 923 876	3 459 536	3 070 070	–	3 070 070	–	3 667 108	3 887 135	4 120 363
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		1 632	1 279	2 025	1 343	–	1 343	–	2 147	2 276	2 412
Other non-current assets		430	455	839	477	–	477	–	889	942	999
Total non current assets		3 072 350	2 996 517	3 519 072	3 146 343	–	3 146 343	–	3 733 887	3 957 921	4 195 396
TOTAL ASSETS		3 743 302	3 525 563	4 095 456	4 089 921	–	4 089 921	–	4 344 855	4 605 546	4 881 879
LIABILITIES											
Current liabilities											
Bank overdraft	1	17	–	–	–	–	–	–	–	–	–
Borrowing	4	–	–	3 014	–	–	–	–	–	–	–
Consumer deposits		11 721	11 732	12 111	12 319	–	12 319	–	12 838	13 608	14 425
Trade and other payables	4	1 145 033	1 774 658	2 602 831	1 860 393	–	1 860 393	–	2 754 985	2 920 284	3 095 501
Provisions		–	–	–	–	–	–	–	–	–	–
Total current liabilities		1 156 771	1 786 390	2 617 957	1 872 713	–	1 872 713	–	2 767 823	2 933 892	3 109 926
Non current liabilities											
Borrowing		9 077	7 123	4 865	7 000	–	7 000	–	5 156	5 466	5 794
Provisions		65 819	71 076	65 986	74 630	–	74 630	–	69 945	74 141	78 590
Total non current liabilities		74 897	78 200	70 850	81 630	–	81 630	–	75 101	79 607	84 384
TOTAL LIABILITIES		1 231 668	1 864 590	2 688 807	1 954 342	–	1 954 342	–	2 842 924	3 013 500	3 194 310
NET ASSETS	5	2 511 634	1 660 973	1 406 650	2 135 578	–	2 135 578	–	1 501 930	1 592 046	1 687 569
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		2 511 634	1 660 973	1 406 650	2 135 578	–	2 135 578	–	1 501 930	1 592 046	1 687 569
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	2 511 634	1 660 973	1 406 650	2 135 578	–	2 135 578	–	1 501 930	1 592 046	1 687 569

Explanatory notes to Table A6 - Budgeted Financial Position

- The budgeted Statement of Financial Position of the Municipality has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
- The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 which can be found on page 96) are provided with details of the major components of items such as:
 - ☐ Call Investment Deposits
 - ☐ Consumer Debtors
 - ☐ Property, Plant and Equipment
 - ☐ Trade and Other Payables
 - ☐ Non-Current Provisions



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- ☐ Changes in Net Assets
- ☐ Reserves

3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the Municipality and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

TABLE 26

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		120 001	90 183	81 375	134 937	-	134 937	-	103 798	110 026	116 627
Service charges		195 943	671 687	326 423	458 913	-	458 913	-	361 781	383 488	406 497
Other revenue		283 382	150 102	38 429	200 875	-	200 875	-	23 808	25 236	26 751
Government - operating	1	393 995	454 043	455 266	503 632	-	503 632	-	547 804	597 768	647 753
Government - capital	1	206 474	187 265	182 520	215 732	-	215 732	-	223 321	231 963	263 435
Interest		17 530	26 962	33 818	23 425	-	23 425	-	19 464	20 632	21 870
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1 146 594)	(1 349 141)	(833 788)	(1 167 993)	-	(1 167 993)	-	(910 991)	(989 210)	(1 059 477)
Finance charges		(4 206)	(20 685)	(9 009)	(4 000)	-	(4 000)	-	(4 500)	(4 770)	(5 056)
Transfers and Grants	1	-	-	(85 425)	(115 540)	-	(115 540)	-	(133 000)	(142 590)	(154 350)
NET CASH FROM/(USED) OPERATING ACTIVITIES		66 526	210 415	189 610	249 981	-	249 981	-	231 485	232 543	264 050
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6 256	663	4 024	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		8 236	(1 631)	(3 887)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		196	(12)	(125)	-	-	-	-	-	-	-
Payments											
Capital assets		(155 369)	(204 879)	(187 862)	(245 189)	-	(245 189)	-	(223 321)	(231 963)	(263 435)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(140 681)	(205 858)	(187 850)	(245 189)	-	(245 189)	-	(223 321)	(231 963)	(263 435)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(16 217)	(3 222)	(600)	(5 000)	-	(5 000)	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(16 217)	(3 222)	(600)	(5 000)	-	(5 000)	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(90 372)	1 335	1 160	(208)	-	(208)	-	8 164	580	615
Cash/cash equivalents at the year begin:	2	97 089	6 717	7 957	8 290	-	8 290	-	1 500	9 664	10 244
Cash/cash equivalents at the year end:	2	6 717	8 052	9 117	8 082	-	8 082	-	9 664	10 244	10 859

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the Municipality during the 2018/19 to 2020/21 MTREF.
2. The Municipality is under Section 139(1) b of the Constitution and various strategies of revenue enhancement are still in the process of being determined. This will include the total solutions especially on Electricity. The billing has started and statements will be out to customers in June 2017.
3. For the 2018/19 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term, with cash levels anticipated to be R9.6 million by 2018/19 and steadily increasing to R10.8 million by 2020/21.

TABLE 27

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	6 717	8 052	9 117	8 082	-	8 082	-	9 664	10 244	10 859
Other current investments > 90 days		-	-	-	-	-	-	-	(0)	(0)	-
Non current assets - Investments	1	-	-	-	-	-	-	-	3 671	3 891	4 125
Cash and investments available:		6 717	8 052	9 117	8 082	-	8 082	-	13 335	14 135	14 983
Application of cash and investments											
Unspent conditional transfers		1 787	2 854	3 789	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	797 404	1 091 948	2 211 823	1 116 976	-	1 116 976	-	2 392 234	2 535 768	2 687 914
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		799 191	1 094 803	2 215 612	1 116 976	-	1 116 976	-	2 392 234	2 535 768	2 687 914
Surplus(shortfall)		(792 474)	(1 086 751)	(2 206 495)	(1 108 895)	-	(1 108 895)	-	(2 378 899)	(2 521 633)	(2 672 931)

Explanatory notes to Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded"
4. From the table it can be seen that for the Municipality experienced a shortfall net cash flow position for the period 2014/15 to 2020/2021.



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5. As part of the budgeting and planning guidelines that informed the compilation of the 2018/19 MTREF, the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA.
6. As can be seen, the budget moves from a shortfall of R2.3 million in 2018/19, R2.5 million in 2019/20 and R2.6 million in 2020/21.

TABLE 28



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

FS194 Maluti-a-Phofung - Table A9 Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	146 374	190 095	187 862	243 464	-	243 464	211 557	215 545	224 241
Roads Infrastructure		26 571	62 226	40 185	54 202	-	54 202	31 595	12 278	5 044
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		38 994	22 555	4 595	12 600	-	12 600	29 798	19 200	49 898
Water Supply Infrastructure		31 548	32 620	21 182	61 405	-	61 405	52 919	117 809	120 698
Sanitation Infrastructure		24 299	21 276	8 782	43 181	-	43 181	39 522	39 178	35 292
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	19 565	-	-	-	-	-	-
Infrastructure		121 413	138 677	94 307	171 387	-	171 387	153 835	188 464	210 932
Community Facilities		10 878	13 040	36 053	44 263	-	44 263	45 532	17 444	4 694
Sport and Recreation Facilities		12 494	37 962	54 240	10 471	-	10 471	4 224	1 499	-
Community Assets		23 371	51 002	90 293	54 734	-	54 734	49 756	18 942	4 694
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	747	8 342	-	8 342	7 966	8 138	8 614
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	747	8 342	-	8 342	7 966	8 138	8 614
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	59	1 240	-	-	-	-	-	-
Intangible Assets		-	59	1 240	-	-	-	-	-	-
Computer Equipment		781	194	142	3 000	-	3 000	-	-	-
Furniture and Office Equipment		-	-	-	1 000	-	1 000	-	-	-
Machinery and Equipment		808	162	1 132	5 000	-	5 000	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	8 995	14 785	-	12 566	-	12 566	-	11 418	13 692
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	14 785	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	10 618	9 692
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	14 785	-	-	-	-	-	10 618	9 692
Community Facilities		1 932	-	-	12 566	-	12 566	-	-	-
Sport and Recreation Facilities		7 063	-	-	-	-	-	-	800	4 000
Community Assets		8 995	-	-	12 566	-	12 566	-	800	4 000
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-



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Total Upgrading of Existing Assets	6	-	-	-	16 402	-	16 402	11 764	5 000	25 503
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	11 300
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	11 300
Community Facilities		-	-	-	-	-	-	-	-	10 450
Sport and Recreation Facilities		-	-	-	16 402	-	16 402	11 764	5 000	3 753
Community Assets		-	-	-	16 402	-	16 402	11 764	5 000	14 203
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	26 571	62 226	40 185	54 202	-	54 202	31 595	12 278	16 344
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		38 994	37 340	4 595	12 600	-	12 600	29 798	19 200	49 898
<i>Electrical Infrastructure</i>		31 548	32 620	21 182	61 405	-	61 405	52 919	117 809	120 698
<i>Water Supply Infrastructure</i>		24 299	21 276	8 782	43 181	-	43 181	39 522	49 796	44 983
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	19 565	-	-	-	-	-	-
Infrastructure		121 413	153 462	94 307	171 387	-	171 387	153 835	199 083	231 924
Community Facilities		12 810	13 040	36 053	56 830	-	56 830	45 532	17 444	15 144
Sport and Recreation Facilities		19 557	37 962	54 240	26 873	-	26 873	15 988	7 299	7 753
Community Assets		32 367	51 002	90 293	83 702	-	83 702	61 520	24 742	22 897
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	747	8 342	-	8 342	7 966	8 138	8 614
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	747	8 342	-	8 342	7 966	8 138	8 614
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	59	1 240	-	-	-	-	-	-
Intangible Assets		-	59	1 240	-	-	-	-	-	-
Computer Equipment		781	194	142	3 000	-	3 000	-	-	-
Furniture and Office Equipment		-	-	-	1 000	-	1 000	-	-	-
Machinery and Equipment		808	162	1 132	5 000	-	5 000	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		155 369	204 879	187 862	272 432	-	272 432	223 321	231 963	263 435



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ASSET REGISTER SUMMARY - PPE (WDV)		5									
Roads Infrastructure			633 022	683 175	1 006 424	717 334	-	717 334	1 066 809	1 130 817	1 198 667
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			443 073	458 645	457 107	481 577		481 577	484 533	513 605	544 421
Water Supply Infrastructure			419 901	432 221	426 288	453 832		453 832	451 865	478 977	507 716
Sanitation Infrastructure			178 375	191 659	167 833	201 242		201 242	177 903	188 577	199 891
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			255 854	3 474	-	3 648		3 648	-	-	-
Infrastructure			1 930 224	1 769 175	2 057 651	1 857 633	-	1 857 633	2 181 110	2 311 976	2 450 695
Community Facilities			106 621	102 922	157 194	108 068	-	108 068	166 626	176 623	187 221
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			106 621	102 922	157 194	108 068	-	108 068	166 626	176 623	187 221
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			69 579	68 347	51 413	71 765	-	71 765	54 498	57 768	61 234
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			69 579	68 347	51 413	71 765	-	71 765	54 498	57 768	61 234
Operational Buildings			963 503	1 051 780	1 244 691	1 104 369		1 104 369	1 319 372	1 398 535	1 482 447
Housing			-	-	-	-	-	-	-	-	-
Other Assets			963 503	1 051 780	1 244 691	1 104 369	-	1 104 369	1 319 372	1 398 535	1 482 447
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			1 632	1 279	2 025	1 343		1 343	2 147	2 276	2 412
Intangible Assets			1 632	1 279	2 025	1 343	-	1 343	2 147	2 276	2 412
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	3 071 558	2 993 502	3 512 974	3 143 177	-	3 143 177	3 723 753	3 947 178	4 184 009
EXPENDITURE OTHER ITEMS											
Depreciation		7	279 224	279 489	268 475	280 100	-	280 100	270 000	286 200	303 372
Repairs and Maintenance by Asset Class		3	461 075	97 754	106 738	82 230	-	82 230	59 450	63 017	66 798
Roads Infrastructure			38 384	62 215	53 314	33 400	-	33 400	25 000	26 500	28 090
Storm water Infrastructure			-	-	-	5 000	-	5 000	3 000	3 180	3 371
Electrical Infrastructure			28 176	30 662	20 365	30 300	-	30 300	24 000	25 440	26 966
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	17 808	3 000	-	3 000	3 000	3 180	3 371
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			66 560	92 877	91 487	71 700	-	71 700	55 000	58 300	61 798
Community Facilities			181	501	126	1 000	-	1 000	500	530	562
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			181	501	126	1 000	-	1 000	500	530	562
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			391 516	587	2 386	3 000	-	3 000	1 500	1 590	1 685
Housing			-	-	-	-	-	-	-	-	-
Other Assets			391 516	587	2 386	3 000	-	3 000	1 500	1 590	1 685
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			107	416	118	2 000	-	2 000	100	106	112
Furniture and Office Equipment			-	-	11 471	300	-	300	50	53	56
Machinery and Equipment			-	1	127	400	-	400	-	-	-
Transport Assets			2 711	3 372	1 023	3 830	-	3 830	2 300	2 438	2 584
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS			740 299	377 243	375 212	362 330	-	362 330	329 450	349 217	370 170
Renewal and upgrading of Existing Assets as % of total capex			5,8%	7,2%	0,0%	10,6%	0,0%	10,6%	5,3%	7,1%	14,9%
Renewal and upgrading of Existing Assets as % of deprecn			3,2%	5,3%	0,0%	10,3%	0,0%	10,3%	4,4%	5,7%	12,9%
R&M as a % of PPE			15,4%	3,3%	3,1%	2,7%	0,0%	2,7%	1,6%	1,6%	1,6%
Renewal and upgrading and R&M as a % of PPE			15,0%	4,0%	3,0%	4,0%	0,0%	4,0%	2,0%	2,0%	3,0%



Explanatory notes to Table A9 – Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. At this stage spending on repairs and maintenance cannot be reflected by asset class due to the misalignment of the existing asset classes with the plant maintenance asset classes on the financial system. To ensure compliance the Municipality will embark on an asset creation project which will be finalised over a couple of years.



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 29

FS194 Maluti-a-Phofung - Table A10 Basic service delivery measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
<u>Water:</u>										
Piped water inside dwelling		85 488	85 420	85 420	91 698	91 698	91 698	91 698	91 698	91 698
Piped water inside yard (but not in dwelling)		10 890	10 881	10 881	5 771	5 771	5 771	5 771	5 771	5 771
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		96 378	96 301	96 301	97 469	97 469	97 469	97 469	97 469	97 469
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	3 850	3 927	3 927	13 283	13 283	13 283	13 283	13 283	13 283
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		3 850	3 927	3 927	13 283	13 283	13 283	13 283	13 283	13 283
Total number of households	5	100 228	100 228	100 228	110 752	110 752	110 752	110 752	110 752	110 752
<u>Sanitation/sewerage:</u>										
Flush toilet (connected to sewerage)		35 642	35 642	35 642	32 893	32 893	32 893	32 893	32 893	32 893
Flush toilet (with septic tank)		2 633	2 633	2 633	2 104	2 104	2 104	2 104	2 104	2 104
Chemical toilet		2 099	2 099	2 099	5 473	5 473	5 473	5 473	5 473	5 473
Pit toilet (ventilated)		21 900	21 900	21 900	23 497	23 497	23 497	23 497	23 497	23 497
Other toilet provisions (> min.service level)		33 600	33 600	33 600	43 293	43 293	43 293	43 293	43 293	43 293
<i>Minimum Service Level and Above sub-total</i>		95 874	95 874	95 874	107 260	107 260	107 260	107 260	107 260	107 260
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		2 154	2 154	2 154	1 600	1 600	1 600	1 600	1 600	1 600
No toilet provisions		2 200	2 200	2 200	1 865	1 865	1 865	1 865	1 865	1 865
<i>Below Minimum Service Level sub-total</i>		4 354	4 354	4 354	3 465	3 465	3 465	3 465	3 465	3 465
Total number of households	5	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725	110 725
<u>Energy:</u>										
Electricity (at least min.service level)		55 125	53 622	53 622	13 165	13 165	13 165	13 165	13 165	13 165
Electricity - prepaid (min.service level)		–	–	–	89 948	89 948	89 948	89 948	89 948	89 948
<i>Minimum Service Level and Above sub-total</i>		55 125	53 622	53 622	103 113	103 113	103 113	103 113	103 113	103 113
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		45 103	46 606	46 606	7 612	7 612	7 612	7 612	7 612	7 612
<i>Below Minimum Service Level sub-total</i>		45 103	46 606	46 606	7 612	7 612	7 612	7 612	7 612	7 612
Total number of households	5	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725	110 725
<u>Refuse:</u>										
Removed at least once a week		26 833	26 833	26 833	23 361	23 361	23 361	23 361	23 361	23 361
<i>Minimum Service Level and Above sub-total</i>		26 833	26 833	26 833	23 361	23 361	23 361	23 361	23 361	23 361
Removed less frequently than once a week		496	496	496	1 159	1 159	1 159	1 159	1 159	1 159
Using communal refuse dump		5 276	5 276	5 276	5 682	5 682	5 682	5 682	5 682	5 682
Using own refuse dump		54 602	54 602	54 602	65 648	65 648	65 648	65 648	65 648	65 648
Other rubbish disposal		5 632	5 632	5 632	2 694	2 694	2 694	2 694	2 694	2 694
No rubbish disposal		7 390	7 390	7 390	12 181	12 181	12 181	12 181	12 181	12 181
<i>Below Minimum Service Level sub-total</i>		73 396	73 396	73 396	87 364	87 364	87 364	87 364	87 364	87 364
Total number of households	5	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725	110 725
<u>Households receiving Free Basic Service</u>	7									
Water (6 kilolitres per household per month)		5 706	36 955	36 955	26 528	–	26 528	26 528	26 528	26 528
Sanitation (free minimum level service)		5 706	5 594	5 594	4 518	–	4 518	4 518	4 518	4 518
Electricity/other energy (50kwh per household per month)		100 228	70 228	25 295	19 917	–	19 917	19 917	19 917	19 917
Refuse (removed at least once a week)		5 706	5 594	5 594	4 518	–	4 518	4 518	4 518	4 518
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>	8									
Water (6 kilolitres per indigent household per month)		2 798	20 222	17	22 602	–	22 602	23 958	25 396	26 919
Sanitation (free sanitation service to indigent households)		4 916	5 108	4 253	4 603	–	4 603	4 879	5 171	5 482
Electricity/other energy (50kwh per indigent household per month)		45 048	15 177	10 658	10 492	–	10 492	11 210	11 882	12 595
Refuse (removed once a week for indigent households)		5 164	5 366	3 601	4 862	–	4 862	5 153	5 463	5 790
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>		–	–	–	–	–	–	–	–	–
Total cost of FBS provided		57 927	45 873	18 529	42 558	–	42 558	45 200	47 912	50 787
<u>Highest level of free service provided per household</u>										
Property rates (R value threshold)		80 000	80 000	80 000	110 000	–	110 000	110 000	110 000	110 000
Water (kilolitres per household per month)	6	6	6	6	6	–	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)	72	101	107	114	114	–	114	121	128	136
Electricity (kwh per household per month)	50	50	50	50	50	–	50	50	50	50
Refuse (average litres per week)	100	100	106	113	113	–	113	120	127	134
<u>Revenue cost of subsidised services provided (R'000)</u>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		715 927	3 444 860	2 830 320	2 852 700	–	2 852 700	2 852 700	3 023 862	3 205 294
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	715 927	3 444 860	2 830 320	2 852 700	–	2 852 700	2 852 700	3 023 862	3 205 294

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality is persistently striving to eradicate backlogs



PART 2: SUPPORTING DOCUMENTS

2.1 Overview of annual budget process

The MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget. The new National Treasury Budget Regulations gives further effect to this by prescribing that the mayor of a municipality must establish a budget steering committee to assist in discharging the mayor's budget preparation responsibilities.

The Budget Steering Committee was established consisting of the following:

- The Executive Mayor
- MMCs
- Chief Financial Officer
- Municipal Manager
- Directors
- Managers

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The IDP and Budget time schedule of the 2018/19 budget cycle was approved by Council on **27 July 2017**, in compliance with legislative directives. The Process Plan set the framework for further engagements with various stakeholders to ensure adoption of the 2018/19 IDP and Budget before the start of the financial year.

In line with the above requirements, the targets set in the budget process for the 2018/19 MTREF period were not met:

January 2018 and May 2018: IDP road shows

January: The 2017/18 Mid-year Performance Assessment Review was not tabled to council.

February: The 2017/18 Adjustment Budget was not tabled to council.

March: The Draft Budget for 2018/19 MTREF and Draft IDP for 2018/19 were not tabled to council 90 days before the start of the financial year.

April: The budget road shows and the bilateral process was not done.

May: The final budget was not submitted to council by the 31 May 2018.

The **IDP road show** was actually completed in **May 2018**. The updated IDP/Budget Process Plan with actual dates will be submitted to Council for approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is a principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Engaging communities'/ward forums and sector organisations in obtaining their needs
- Compilation of departmental business plans including key performance indicators and targets
- Public participation process
- Compilation of the SDBIP
- The review of the performance management and monitoring processes
- Address community inputs and response to public inputs by line departments
- Tabling of draft IDP and Budget to Council

2.1.3 Financial Modelling and Key Planning Drivers

The municipality's MTREF model is annually reviewed to determine the most affordable level at which the municipality will be able to operate optimally. It sets out the economic context and assumptions that inform the compilation of the next three year's budget, in addition, sustainability forms the basis of the preparation of the operating and capital budgets.

The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Credible collection rates based on the collection achievements to date, incorporating improved anticipated for selected revenue items
- The assumption of a 100% capital expenditure implementation rate
- The need for tariff increases versus the ability of the community to pay for services
- Cash flow management strategy

2.1.4 Community Consultation

In accordance with the MFMA, the Municipal Systems Act (Act 32 of 2000) the 2018/19 MTREF and its accompanying documentation will be made public in the local newspaper and municipal website for public knowledge after it is tabled before Council. The detailed document will be published on the municipal website and local newspapers and hard copies will be made available at Libraries and Municipal Building.

In addition, as legislated, the tabled budget documentation will be submitted in print and electronic formats to both Provincial and National treasuries after the budget was tabled before Council.

Ward councillors and ward committees will be utilised to facilitate the community consultation process and gather inputs from the community. The community and



other stakeholders will also be given time to submit the inputs to the municipal offices.

The Budget Benchmarking Assessment between the Provincial Treasury and Municipality will take place during June after the Draft Budget is tabled to Council. The inputs received will be considered as part of the finalisation of 2018/19 MTREF.

2.2 Overview of alignment of annual budget with Integrated Development Plan

2.2.1 Municipality aligned to National, Provincial and District Alignment

Maluti-A-Phofung development needs to be aligned with the National Provincial and District initiatives to ensure optimal impact from the combined efforts of all tiers of Government. In this regard their five critical elements:

- Efficient and effective public services (Deliver more and better services in a caring and efficient manner)
- Municipalities' role in employment creation
- Shift resources to new priorities
- Move from debate to effective implementation and decisive action and
- Work in partnership with communities, labour and business to achieve our shared objectives

2.2.2 Key demographic, economic and other assumptions

1. Demographic and economic

The Maluti-A-Phofung area covers the greater Harrismith, Kestell Intabazwe and Phuthaditjhaba. The municipality has 35 wards and covers approximately 4 421 km² in extent. Phuthaditjhaba is urban Centre of Qwaqwa and serves as the administrative head offices of Maluti-A-Phofung Municipality, surrounding Phuthadithaba are rural villages of Qwaqwa established on tribal land administered by land affairs. Harissmith is a service centre for the surrounding rural areas and a trading belt serving the passing N3 which links the Gauteng and KwaZulu Natal provinces. Harrismith is surrounded by Tshiame located 12 km to the west and Intabazwe, which is located 1,5 km to the north. The town is an employment center for people living in Tshiame, Intabazwe and Qwaqwa.

Kestell is a service center for surrounding agricultural oriented rural area with Thlolong as the Township. Kestell is situated along the N5 road that links Harrismith with Bethlehem. The rural areas of Maluti-A-Phofung comprise commercial farms and major nature conservation centre such as Qwaqwa National Park, Platberg, Sterkfontein Dam and the Maluti Mountain Range. The area is not only tourism attraction, but also make a big contribution in generating gross agricultural income for the whole of the Province.

The National Treasury has continuously advised municipalities in previous budget circulars on financial management issues to be considered when



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compiling budgets. The 2018/19 MTREF budget assessment will critically consider the following:

- ☐ Cost reflective tariffs;
- ☐ Appropriateness of budget assumptions;
- ☐ Provision for asset renewal and maintenance;
- ☐ Credibility and level of funding of the budget (funded or not funded); and
- ☐ Alignment of the budgets to municipality's plans.

Therefore, municipalities must ensure that their 2018/19 MTREF addresses the items listed above and further submit the methodology applied in setting tariffs when submitting budget documentation to the National Treasury in terms of the MFMA.

Developmental Objectives and Priorities on the IDP

Following an extensive and interactive consultation processes between the elected leaders, municipal administration, communities and stakeholders the municipality has agreed to the following developmental priorities that should be achieved in the next five years. These development priorities are steeped within the overall cluster system of government.

SUSTAINABLE INFRASTRUCTURE AND SERVICES	ECONOMIC DEVELOPMENT AND JOB CREATION
Water Sanitation Electricity Waste management Roads, streets, storm-water Housing Cemeteries Land development	Agricultural development Tourism development Land reform Industrial development Skills development SMME development
SOCIAL DEVELOPMENT AND COMMUNITY SERVICES	GOOD GOVERNANCE AND PUBLIC PARTICIPATION
Health services Environmental management Education and training Parks, Sports and recreation services Library services Transport	Increased revenue base from rates and taxes Corporate governance Institutional transformation Community-based planning
PUBLIC SAFETY	
Disaster Management Safety and Security Traffic Control Emergency services	



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TABLE 30

FS194 Maluti-a-Phofung - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution	A		72 194	42 927	69 805	78 315	–	78 315	83 014	87 995	93 274	
Sustainable Infrastructure and Services	Electricity - to manage the restructuring of electricity distribution effectively	B		406 896	273 770	284 668	562 332	–	562 332	380 704	403 546	427 759	
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents	C		49 226	54 593	38 375	41 577	–	41 577	44 072	46 716	49 519	
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites	D		27 700	32 826	34 829	34 832	–	34 832	36 921	39 137	41 485	
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads	F		1	127	–	–	–	–	–	–	–	
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries	G		–	298	358	525	–	525	557	590	625	
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing stock	H											
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan; to maintain and upgrade municipal properties	I		658	921	1 432	5 097	–	5 097	5 388	5 711	6 054	
Good Governance and public participation (operations and support)	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary processes and related matters are adhered to. To manage expenditure in accordance with the budget.	J		1 181 112	887 162	837 707	966 691	–	966 691	1 009 910	1 088 775	1 185 706	
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-qualified and competent personnel	K		306	571	567	500	–	500	500	530	562	
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector	P		–	2 809	5 580	5 580	–	5 580	–	–	–	
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP	R		540	673	643	437	–	437	3 213	1 841	2 020	
Social Development and community services	Education and training- to develop social networks for older people; to ensure that the community has access to relevant information	S		–	–	–	–	–	–	–	–	–	
Social Development and community services	Library services	T		1 720	2 049	2 422	2 598	–	2 598	2 729	2 892	3 066	
Social Development and community services	Environmental management- increase environmental awareness through educating communities about	U		–	–	–	5 219	–	5 219	4 120	–	–	
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency services	W		274	205	370	563	–	563	596	632	670	
Public Safety	Traffic Control- to improve the payment of traffic fines	Z		1 691	37 880	18 346	14 429	–	14 429	15 270	16 186	17 157	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	1 742 319	1 336 810	1 295 103	1 718 694	–	1 718 694	1 586 993	1 694 551	1 827 898



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TABLE 31

FS194 Maluti-a-Phofung - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage	A		—	—	—	—	—	—	—	—	—
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively	B		726 459	761 197	672 509	678 491	—	678 491	686 008	727 168	770 798
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and	D		48 464	43 331	50 865	45 472	—	45 472	47 148	49 977	52 976
Sustainable Infrastructure and Services	Community Services- to raise awareness with the community on social	E		—	2 543	2 182	4 688	—	4 688	4 738	5 022	5 324
Sustainable Infrastructure and Services	Roads, Streets, storm-water- to increase the safety and access to roads	F		221 957	144 893	79 570	71 296	—	71 296	59 402	62 966	66 744
Sustainable Infrastructure and Services	Cemeteries- To provide and maintain cemeteries	G		—	3 542	5 656	5 986	—	5 986	6 282	6 659	7 058
Sustainable Infrastructure and Services	Housing- to promote rental housing stock and ensure generally attractive housing	H		15 008	12 182	9 066	11 286	—	11 286	9 581	10 156	10 766
Sustainable Infrastructure and Services	Land Development- to develop and review the local human settlements development plan;	I		7 789	10 178	9 402	14 225	—	14 225	13 591	14 407	15 271
Good Governance and public participation	Increased revenue based from rates and taxes/Finance- to ensure proper budgetary	J		538 731	725 248	845 844	787 784	—	787 784	800 027	848 968	898 697
Good Governance and public participation	Corporate governance/services- to establish and maintain a well-	K		31 101	40 237	62 760	52 684	—	52 684	48 322	51 221	54 295
Good Governance and public participation	Legislative Authority- to ensure effective coordination of governance processes and	M		49 767	148 304	127 005	97 574	—	97 574	49 359	52 320	55 459
Good Governance and public participation	Office of the Municipal Manager- to ensure proper coordination and management of IDP and	N		10 362	25 989	40 838	53 127	—	53 127	33 380	35 383	37 506
Economic Development and Job Creation	Agricultural, land, industrial, skills, SMME development- to expand the agricultural sector	O		—	3 860	3 710	3 451	—	3 451	1 993	2 112	2 239
Economic Development and Job Creation	Local Economic Development- to expand the tourism sector	P		3 263	8 503	10 724	7 669	—	7 669	3 921	4 156	4 406
Economic Development and Job Creation	SMME development- to strengthen institutional capacity of SMMEs and	Q		—	23	540	5 619	—	5 619	1 642	1 741	1 845
Social Development and community services	Parks, Sports & Recreation- to increase access o recreational facilities and promote arts and	R		35 097	39 272	43 033	68 472	—	68 472	42 286	44 824	47 513
Social Development and community services	Education and training- to develop social networks for older people; to ensure that the	S		3 037	2 802	2 615	2 726	—	2 726	2 729	2 893	3 066
Social Development and community services	Library services	T		3 341	3 362	4 027	4 125	—	4 125	4 276	4 532	4 804
Social Development and community services	Environmental management- increase environmental awareness through education	U		531	5 332	8 128	20 333	—	20 333	13 103	9 522	10 094
Public Safety	Public Safety- to ensure the safety of all persons and increase awareness around	V		1 393	22 968	32 948	27 291	—	27 291	17 492	18 542	19 654
Public Safety	Emergency services/Fire - to improve response-time and efficiency of the Emergency	W		21 276	21 934	24 241	23 122	—	23 122	24 351	25 812	27 360
Public Safety	Disaster Management- to improve disaster management capacity at the municipality	X		—	4 395	10 492	5 000	—	5 000	5 000	5 300	5 618
Public Safety	Safety and Security- to create a safe and secure environment	Y		—	25 721	31 597	24 399	—	24 399	25 503	27 033	28 655
Public Safety	Traffic Control- to improve the payment of traffic fines	Z		40 172	13 497	16 046	23 141	—	23 141	14 658	15 537	16 469
Allocations to other priorities												
Total Expenditure				1 757 749	2 069 312	2 093 798	2 037 962	0	2 037 962	1 914 792	2 026 252	2 146 618



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TABLE 32

FS194 Maluti-a-Phofung - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Sustainable Infrastructure and Services	Water- to ensure that residents have access to portable water and; to account and manage water distribution	A		31 548	32 620	32 314	61 405	-	61 405	52 919	117 809	120 698
Sustainable Infrastructure and Services	Electricity- to manage the restructuring of electricity distribution effectively	B		38 994	37 340	4 595	12 600	-	12 600	29 798	19 200	49 898
Sustainable Infrastructure and Services	Waste water management- to provide basic level of sanitation to all residents	C		24 299	21 276	8 782	43 181	-	43 181	39 522	49 796	44 983
Sustainable Infrastructure and Services	Waste Management- to reduce illegal dumping and improve waste removal service and management of landfill sites	D		-	-	-	-	-	-	-	-	-
Sustainable Infrastructure and Services	Community Facilities	E		12 810	13 040	30 043	56 830	-	56 830	45 532	18 244	20 871
Sustainable Infrastructure and Services	Roads, Streets , storm-water- to increase the safety and access to roads	F		26 571	62 226	41 237	54 202	-	54 202	31 595	12 278	16 344
Good Governance and public participation	Community based planning- to ensure long-term planning and knowledge management and efficient coordination of service delivery	L		-	-	15 683	8 342	-	8 342	7 966	8 138	8 614
Good Governance and public participation	Executive & Council- fixed assets	M		1 590	415	336	7 500	-	7 500	-	-	-
Social Development and community services	Parks,Sports & Recreation- to increase access o recreational facilities and promote arts and culture in MAP	R		19 557	37 962	54 240	26 873	-	26 873	15 988	6 499	2 026
Public Safety	Public Safety - to ensure the safety of all persons and increase awareness around public safety	V		-	-	633	1 500	-	1 500	-	-	-
Allocations to other priorities			3									
Total Capital Expenditure			1	155 369	204 879	187 862	272 432	-	272 432	223 321	231 963	263 435

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.



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TABLE 33

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
VOTE 1:OFFICE OF THE MUNICIPAL										
Function1: IDP& PMS										
Sub-Function1:										
To ensure proper coordination and management of IDP and performance review	% of reviewed and completed IDP within prescribed legislative time frames.				100,0%	0,0%	80,0%	100,0%	100,0%	100,0%
To encourage communities to participating in the activities of the municipality	No. of wards inclusive of stakeholders participated in IDP review	35 wards	35 wards	35 wards	35 wards	0,0%	35 wards	35 wards	35 wards	35 wards
VOTE 3: FINANCIAL SERVICES										
Function 1:BUDGET										
Sub-function:Budget and Treasury Office										
To enhance revenue collection	Increase number of pay-points							2		
	Increase number of vending stations									
To ensure proper budgetary process and related matters are adhered to	No. of budget book to be submitted to council for	1	1	1	1	1	1	1	1	1
	No. of consultative meetings with stakeholders	1	1	1	1	0	1	1 each	1	1 each
Function 2:ASSETS										
Sub-function: Asset Management										
To ensure the safeguarding and proper recording of asset	No. of regular update of assets register	12	12	12	12	12	12	12	12	12
	No. of updates on loans and investments	12	12	12	12	12	12	12	12	12
Function 3: FINANCIAL ACCOUNTING										
Sub-function: Financial Matters										
To record and report on all financial matters	No. of AFS to be submitted to Auditor General	1	1	1	1	1	1	1	1	1
	Number of VAT Returns submitted to SARS	12	12	12	12	12	12	12	12	12
Function 4: EXPENDITURE										
Sub-function: Expenditure Management										
Manage expenditure in accordance with the budget	Quarterly reports on preparation of monthly creditors	4	4	4	4	0	4	4	4	4
	Quarterly reports on compliance with Supply Chain							4	4	4
VOTE 4: MUNICIPAL INFRASTRUCTURE										
Function 1: Roads To accelerate the delivery of infrastructure services										
Sub-Function: Roads Construction										
Intabazwe: Paving of 6km roads - Phase 2								0,5 KM		
Namahadi: Construction of 5km paved roads and storm water phase 2 (MIS:240386)								2,3 km	0,5 km	Retention
Tshame: Construction of 4,5km paved roads and storm water drainage phase 3 (MIS:240998)								2,7 km	1,5 km	Retention
Phuthadihaba: Upgrading of 1km paved road Molebang – phase 1 (MIS:276324)								-	-	Earth works, Paving
Monontsha:Construction of footbridge								-	-	Earth Work and Concrete Works
Function 5: WASTE WATER MANAGEMENT										
Sub-function:Sanitation										
Kgotsoong sewer	stands							510 stands		
Thabong: Construction of sewer reticulation network								1209 stands	House Connections	Retention
Bluegumbosch: Construction of sewer								2367 stands		
Refurbishment of Sewer Pump Stations								-	Building Works Pumps and Electricity	Building Works Pumps and Electricity
Function 3: ELECTRICITY										
Sub-function: Connections										
Integrated National Electrification Programme (municipal) grant-(INEP) DOE	Connections Substations Transformers							200 Connections in Tshame D, 250 Connections in Kgabisi and Earth works and Steel works in Substation at E Ross	Transformers 132kv and 22kv Switch Gear at E Ross Substation	132kv line From Qwaqwa Rural Substation to E Ross Substation
Sub-function: streetlights										
High mast lights	No of highmast lights installed							153		Earth works and Concrete works



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Function 4: WATER											
Sub-function:Water connections											
To ensure that residents have access to											
Harrismith/Intabazwe-Ext3: Construction of sewer outfall line and rising main								Civil works, Mechanical works and Electrical works	Retention	-	
Provision of water services for network extensions and 2940 erf connections (Owaqwa Rural)	Installation							Installation of Water Networks to 48 Houses			
Provision of water services for network extensions and 3907 erf connections	Installation							Installation of Water Networks to 69 Houses			
Monontsha: Water Network	stands							Professional Fees	Ex cavation and Pipe work	House Connections and Meters 500 stands	
Hlatseng: Water Network	stands								200 stands Earth works and Pipe works	Retention	
Mphatlalatsane: Water Network	stands								500 stands Earth works and Pipe works	Retention	
Reservoir in Qholaqwe	stands									4ML Professional Fees and Ex cavations	
Matebelong Reservoir	stands								3ML		
Water Services Infrastructure Grant (WSIG)	No. of ERF connected							315mm Pipeline Form Uniqwa Reservoirs to Kestell/Tholong	315mm Pipeline Form Uniqwa Reservoirs to Kestell/Tholong	Upgrading of Wlge Wate Water Treatment Works Phase 2	
VIP Toilets Project Phase 12A	stands								Construction of Pit, Toilet structure and Health and Hygiene	Construction of Pit, Toilet structure and Health and Hygiene	
Chris Hani Park: Water Reticulation									500 stands		
Wlge: Construction of a 4 MI Reservoir	ML							Ex cavation and Concrete work	Concrete and Steel work	Concrete and Steel work	
Thaba Bosiu Water Pipeline	Installation of pipeline (mm)							-	160 mm	160 mm	
Function 4: COMMUNITY FACILITIES											
Sub-function: Constructions											
Upgrading of recreational and sports facilities											
Phuthadijaba/Owaqwa: New taxi facility								Roof, Plich, Track Concrete work and Building work	Fencing, Paving and Finishing	Retention	
Refurbishment of Charles Moped Stadium									Professional Fees	Electrical and Mechanical	
Kestell/Tholong: Construction of a new taxi								Earth works,	Building	Retention	
Harrismith/Tshlame B: Construction of a new								Earth works,	Building	Retention	
VOTE 6: PUBLIC SAFETY											
Function 1:Fire and disaster management											
To optimise income											
And so on for the rest of the Votes	Amount to be collected from traffic fines	879 568	37 661 859	17 862 852	14 012 000	0,0%	14 012 000	14 852 720	15 743 883	16 688 516	

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))

2. Include all Basic Services performance

3. Only include prior year comparative

FS194 Maluti-a-Phofung - Entities

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
#REF!										
Entity 3 - (name of entity)										
#REF!										
And so on for the rest of the Entities										



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 34

FS194 Maluti-a-Phofung - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1,2%	1,2%	0,5%	0,4%	0,0%	0,4%	0,0%	0,3%	0,3%	0,3%
Capital Charges to Own Revenue	Finance charges & Repay ment of borrowing /Own Revenue	1,8%	3,4%	1,5%	0,9%	0,0%	0,9%	0,0%	0,6%	0,6%	0,6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex.cl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0,6	0,3	0,2	0,5	–	0,5	–	0,2	0,2	0,2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,6	0,3	0,2	0,5	–	0,5	–	0,2	0,2	0,2
Liquidity Ratio	Monetary Assets/Current Liabilities	0,0	0,0	0,0	0,0	–	0,0	–	0,0	0,0	0,0
<u>Revenue Management</u>											
Annual Debtors' Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		48,1%	124,3%	69,0%	64,5%	0,0%	64,5%	0,0%	62,3%	62,3%
Current Debtors' Collection Rate (Cash receipts % of Ratepayer & Other revenue)		46,9%	124,6%	69,7%	64,5%	0,0%	64,5%	0,0%	62,3%	62,3%	62,3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	42,9%	45,1%	51,1%	62,1%	0,0%	62,1%	0,0%	44,3%	43,8%	43,4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		17021,1%	22005,4%	28507,5%	23019,0%	0,0%	23019,0%	0,0%	28507,5%	28507,5%	28507,5%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	16,7%	27,7%	31,2%	22,8%	0,0%	22,8%	0,0%	26,1%	25,8%	25,6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	18,2%	28,8%	33,4%	24,4%	0,0%	0,0%		27,9%	27,6%	27,4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	30,0%	8,5%	9,6%	5,5%	0,0%	5,5%		4,4%	4,3%	4,3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	18,5%	26,1%	24,9%	18,9%	0,0%	18,9%	0,0%	20,2%	19,9%	19,8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	37,8	20,2	23,1	–	–	–	–	39,5	39,5	41,9
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	97,7%	84,2%	96,4%	100,9%	0,0%	100,9%	0,0%	80,0%	80,0%	80,0%
iii. Cost coverage	(Av ailable cash + Investments)/monthly fixed operational expenditure	0,1	0,1	0,1	0,1	–	0,1	–	0,1	0,1	0,1



Performance indicators and benchmarks

1. Borrowing Management

The Municipality's capital expenditure is funded from National government grants. The Municipality's borrowing, if it intends on taking a loan will be done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. Currently the source of funding is as stated above. The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 0.3% over the 2018/19 MTREF which indicates that the Municipality spends an average of 0.3% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding grants and contributions) has been funded by surplus of the current financial year. However, the ratio averages 0,0% over the 2018/19 MTREF.

2. Safety of Capital

- The debt equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- The gearing ratio is a measure of the total long term borrowings over funds and reserves.

3. Liquidity

- Current ratio measures the extent which current assets cover current liabilities. It is preferable that the ratio is at least above one. This ratio for the Municipality averages 0.2 over the 2018/19 MTREF.
- The liquidity ratio is a measure of the ability of the Municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally a municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This ratio for the Municipality averages 0.0 over the 2018/19 MTREF.

4. Revenue Management

- The municipality is in the process of billing its customers and the billing for November has just been completed.
- The Municipality has been placed under Section 139(1) b and revenue enhancement strategies are currently being developed to try and stabilise the financial position of the Municipality



- Debtors who are experiencing difficulties in paying their accounts are given options to either register as indigent or make affordable arrangements.
- Awareness on operation patala was done through the wards in trying to bring back the culture of paying and educating the community to move away from tempering and illegally connecting themselves.

5. Creditors Management

- In compliance with Section 65 of the Municipal Finance Management Act (MFMA), the Municipality is continually trying to manage payments to creditors within 30 days of invoice or statement in all cases where goods and services are rendered, but this is directly linked to cash flow.
- The Municipality has not complied with Section 65 on most of its creditors and the intention is to enter into repayment agreements with its creditors



2.4 OVERVIEW OF BUDGET-RELATED POLICIES

The following budget related policies will be submitted to Council and after approval will be made available on the Municipality's website and municipal libraries for inputs. The following policies have been used as a basis for the preparation of the annual budget and were reviewed as listed on **Annexure 4** of the budget document.

A) Tariff policy

The Municipal System Act (section 74) requires Council to adopt a Tariff Policy. The general financial management functions as stated in section 62(1) (f) of the MFMA also states that the municipality must have and implement the policy, when determining this policy specific legislation applicable to each service has been taken into consideration.

B) Credit control policy

This policy has been formulated in terms of section 96(b) and 98 of the Local Government: Municipal Systems Act, 2000.

C) Rates policy

This policy is formulated in terms of section 3 of the MPRA

D) Supply chain management & subsistence and travelling policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. This policy is under review

E) Indigent policy

The objective of this policy is to assist households which are not able to service their municipal accounts as and when they are due and payable, as result of local economic, social and environmental challenges other than through negligence or unwillingness to pay.

F) Budget & reporting policy

The budget policy aims to develop, maintain processes required in developing a municipality budget and detailing the responsibilities of all stakeholders inclusive of the accounting officer, the council, the public through public participation programmes.

G) Cash and investment policy

The investment Policy deals with the management of the municipality's surplus cash resources and the investment thereof.

H) Impairment of debtors and write off policy

The policy aims to ensure that debtors are disclosed in the annual financial statements at the amounts deemed to be collectable and uncollectable debt is written off within the guidelines of existing policies and applicable legislation



I) Virement policy

This policy applies only to transfers between line items within votes of the Municipality's operating budget

J) Assets policy

This policy focuses on amongst others, effective and efficient control, utilization, safeguarding and management of a municipality's property, plant and equipment.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

2.5.1 External factors

The 2018 Budget Review emphasised that, although global risk factors remain elevated, the world economy continues to provide a supportive platform for South Africa to expand trade and investment. The world economic growth is at its highest since 2014 and continues to gather pace with Gross Domestic Product (GDP) growth increasing across all major economies.

South Africa has experienced a period of protracted economic weakness which diminishes private investment. This may be attributed to domestic constraints, associated to political uncertainty, and declining business and consumer confidence. The local economy is beginning to recover after a short recession in early 2017 however the improvement is insufficient. Growth has remained stagnant at less than **2 per cent** and unemployment remains high at **26.7 per cent**. The prerequisites for increased revenue and expanded service delivery are more rapid growth, investment and job creation.

The GDP growth rate is forecasted at **1.5 per cent in 2018, 1.8 per cent in 2019 and 2.1 per cent in 2020**. Statistics South Africa's December 2017 economic statistics showed an unexpected improvement in the economic outlook, largely as a result of growth in agriculture and mining.

The main risks to the economic outlook are continued policy uncertainty and deterioration in the finances of state-owned entities. The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.

These economic challenges will continue to exert pressure on municipal revenue generation and collection levels hence a conservative approach is advised for revenue projections. Municipalities affected by the drought should also consider its impact on revenue generation. In addition, municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.



2.6 OVERVIEW OF BUDGET FUNDING

2.6.1 Breakdown of operating revenue over the medium term

TABLE 35

Medium Term Revenue & Expenditure Framework						
Description	Budget Year 2018/19		Budget Year +1 2019/20		Budget Year +2 2020/21	
	R'000	%	R'000	%	R'000	%
Rates & Taxes	207 596	15%	220 052	15%	233 255	15%
Service charges	540 260	40%	572 676	39%	607 036	39%
Interest revenue	36 608	3%	38 804	3%	41 133	3%
Transfers recognised - operational	547 804	40%	597 768	41%	647 753	41%
Other own revenue	31 404	2%	33 288	2%	35 286	2%
TOTAL OPERATING REVENUE	1 363 672	100%	1 462 588	100%	1 564 463	100%

Revenue to be generated from **property rates** is R207.5 million in the 2018/19 financial year and increases to R220 million by 2019/20 and R 233.3 million by 2020/21 which represents an average of 15 per cent of the operating revenue base of the municipality. It increases by 6% over the medium-term. In addition, there are still outstanding objections.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R540.3 million for the 2018/19 financial year and increasing to R607 million by 2020/21. For the 2018/19 financial year services charges amount to 40 per cent of the total revenue base and grows by 6 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and other tariff charges.

Operational grants and subsidies amount to R547.8 million, R597.7 million and R647.7 million for each of the respective financial years of the MTREF, or 40 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 8% average.

Interest revenue contributes to 3% of the total operating amounting to R36.6 million, R38.8 million and R41.1 million for the respective three financial years of the 2018/19 MTREF.



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

The tables below provide detail investment information and investment particulars by maturity

TABLE 36

FS194 Maluti-a-Phofung - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank		-	-	-	-	-	-	3 671	3 891	4 125
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	3 671	3 891	4 125
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	3 671	3 891	4 125

TABLE 37

FS194 Maluti-a-Phofung - Supporting Table SA16 Investment particulars by maturity									
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Closing Balance
Name of institution & investment ID	1	Yrs/Months							
Parent municipality									
Sanlam - 5926		Yrs	money market	Yes	Variable	393	-	-	393
Sanlam - Money Market - 50189057		Yrs	money market	Yes	Variable	1 934	11	-	1 945
Sanlam - 11690236x2		Yrs	money market	Yes	Variable	394	-	-	394
FNB Call Account - 62027358292		Months	call account	Yes	Variable	8 015	43	(8 000)	58
FNB JAZZ Fund - 62387689824		Months	call account	Yes	Variable	40 572	61	(40 000)	633
FNB Call Account - MIG Funds - 62199534580		Months	call account	Yes	Variable	784	4	-	-
FNB Call Account - INT/HA CORR - 62212896346		Months	call account	Yes	Variable	164	1	-	166
Standard BANK - 348526407		Months	call account	Yes	Variable	83	0	-	84
Municipality sub-total						52 338		(48 000)	3 671
Entities									
Entities sub-total						-		-	-
TOTAL INVESTMENTS AND INTEREST	1					52 338		(48 000)	3 671



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

2.6.2 Breakdown of the capital revenue for MTREF

The following table is a breakdown of the funding composition of the 2018/19 medium-term capital Funding:

TABLE 38

CAPITAL GRANTS	Original Budget 2017/18	%	2018/19 MTREF					
			Budget Year 2018/19	%	Budget Year+1 2019/20	%	Budget Year+2 2020/21	%
Funded by:								
National Government	215 732	79%	223 321	100%	231 963	100%	263 435	100%
Internally generated funds	56 700	21%		0%		0%		0%
Total Capital Funding	272 432	100%	223 321	100%	231 963	100%	263 435	100%

Capital grants and receipts from national government equals to 100 per cent of the total funding source which represents R223.3 million for the 2018/19 financial year and increases by 4% to R232 million by 2019/20, further increases to R263.4 million by 2020/21 which is 12%. Grants from national sources are the only significant funding source for the 2019/20 to 2021/22 Capital Budget.

The following table is a detailed analysis of the municipality's borrowing

TABLE 39

FS194 Maluti-a-Phofung - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		9 077	7 123	4 865	7 000	-	-	5 156	5 466	5 794
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	9 077	7 123	4 865	7 000	-	-	5 156	5 466	5 794
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	9 077	7 123	4 865	7 000	-	-	5 156	5 466	5 794



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 40

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		403 189	454 043	458 944	501 132	498 217	498 217	545 054	594 418	644 143
Local Government Equitable Share		392 155	451 438	457 134	493 768	490 853	490 853	538 719	591 738	641 031
Finance Management		1 600	1 675	1 810	2 145	2 145	2 145	2 215	2 680	3 112
Municipal Systems Improvement		934	930	-	-	-	-	-	-	-
Water Services Operating Subsidy		8 500	-	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	5 219	5 219	5 219	4 120	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	2 500	-	2 500	2 750	3 350	3 610
Sport and Recreation		-	-	-	-	-	-	2 750	1 350	1 500
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	403 189	454 043	458 944	503 632	498 217	500 717	547 804	597 768	647 753
Capital Transfers and Grants										
National Government:		206 474	186 197	178 731	215 732	185 732	185 732	223 321	231 963	263 435
Municipal Infrastructure Grant (MIG)		154 260	157 047	154 870	165 732	140 732	140 732	159 321	162 763	172 285
Regional Bulk Infrastructure		31 548	-	-	-	-	-	-	-	-
DoE- Integrated National Electrification Programme		11 300	18 932	-	-	5 000	5 000	29 000	19 200	38 400
Expanded Public Works Incentive Programme		4 866	5 718	7 650	-	-	-	-	-	-
Rural Households Infrastructure		4 499	4 500	-	-	-	-	-	-	-
Water services infrastructure grant		-	-	16 211	50 000	40 000	40 000	35 000	50 000	52 750
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	206 474	186 197	178 731	215 732	185 732	185 732	223 321	231 963	263 435
TOTAL RECEIPTS OF TRANSFERS & GRANTS		609 663	640 240	637 676	719 364	683 949	686 449	771 125	829 731	911 188

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other 'to be provided for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue ; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt)

TABLE 41

FS194 Maluti-a-Phofung - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		120 001	90 183	81 375	134 937	-	134 937	-	103 798	110 026	116 627
Service charges		195 943	671 687	326 423	458 913	-	458 913	-	361 781	383 488	406 497
Other revenue		283 382	150 102	38 429	200 875	-	200 875	-	23 808	25 236	26 751
Government - operating	1	393 995	454 043	455 266	503 632	-	503 632	-	547 804	597 768	647 753
Government - capital	1	206 474	187 265	182 520	215 732	-	215 732	-	223 321	231 963	263 435
Interest		17 530	26 962	33 818	23 425	-	23 425	-	19 464	20 632	21 870
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(1 146 594)	(1 349 141)	(833 788)	(1 167 993)	-	(1 167 993)	-	(910 991)	(989 210)	(1 059 477)
Finance charges		(4 206)	(20 685)	(9 009)	(4 000)	-	(4 000)	-	(4 500)	(4 770)	(5 056)
Transfers and Grants	1	-	-	(85 425)	(115 540)	-	(115 540)	-	(133 000)	(142 590)	(154 350)
NET CASH FROM/(USED) OPERATING ACTIVITIES		66 526	210 415	189 610	249 981	-	249 981	-	231 485	232 543	264 050
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		6 256	663	4 024	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		8 236	(1 631)	(3 887)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		196	(12)	(125)	-	-	-	-	-	-	-
Payments											
Capital assets		(155 369)	(204 879)	(187 862)	(245 189)	-	(245 189)	-	(223 321)	(231 963)	(263 435)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(140 681)	(205 858)	(187 850)	(245 189)	-	(245 189)	-	(223 321)	(231 963)	(263 435)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(16 217)	(3 222)	(600)	(5 000)	-	(5 000)	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(16 217)	(3 222)	(600)	(5 000)	-	(5 000)	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(90 372)	1 335	1 160	(208)	-	(208)	-	8 164	580	615
Cash/cash equivalents at the year begin:	2	97 089	6 717	7 957	8 290	-	8 290	-	1 500	9 664	10 244
Cash/cash equivalents at the year end:	2	6 717	8 052	9 117	8 082	-	8 082	-	9 664	10 244	10 859

2.6.4 Cash backed reserves/accumulated surplus reconciliation

The following table meets the requirements of the MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash backed accumulated surplus that was/is available. A shortfall (applications>cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Noncompliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.



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TABLE 42

FS194 Maluti-a-Phofung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	6 717	8 052	9 117	8 082	-	8 082	-	9 664	10 244	10 859
Other current investments > 90 days		-	-	-	-	-	-	-	(0)	(0)	-
Non current assets - Investments	1	-	-	-	-	-	-	-	3 671	3 891	4 125
Cash and investments available:		6 717	8 052	9 117	8 082	-	8 082	-	13 335	14 135	14 983
Application of cash and investments											
Unspent conditional transfers		1 787	2 854	3 789	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	797 404	1 091 948	2 211 823	1 116 976	-	1 116 976	-	2 392 234	2 535 768	2 687 914
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		799 191	1 094 803	2 215 612	1 116 976	-	1 116 976	-	2 392 234	2 535 768	2 687 914
Surplus(shortfall)		(792 474)	(1 086 751)	(2 206 495)	(1 108 895)	-	(1 108 895)	-	(2 378 899)	(2 521 633)	(2 672 931)

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below:

TABLE 43

FS194 Maluti-a-Phofung Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	6 717	8 052	9 117	8 082	-	8 082	-	9 664	10 244	10 859
Cash + investments at the yr end less applications - R'000	18(1)b	2	(792 474)	(1 086 751)	(2 206 495)	(1 108 895)	-	(1 108 895)	-	(2 378 899)	(2 521 633)	(2 672 931)
Cash year end/monthly employee/supplier payments	18(1)b	3	0,1	0,1	0,1	0,1	-	0,1	-	0,1	0,1	0,1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(15 431)	(732 503)	(798 695)	(319 268)	-	(319 268)	-	(327 798)	(331 700)	(318 720)
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(15,2%)	(10,3%)	51,3%	(106,0%)	(6,0%)	(106,0%)	(6,0%)	(0,0%)	(0,0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	52,6%	131,3%	68,1%	79,8%	0,0%	79,8%	0,0%	60,2%	60,2%	60,2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	(24,1%)	41,7%	10,8%	29,3%	0,0%	29,3%	0,0%	36,1%	36,1%	36,1%
Capital payments % of capital expenditure	18(1)c;19	8	100,0%	100,0%	100,0%	90,0%	0,0%	90,0%	0,0%	100,0%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(21,7%)	9,5%	64,6%	(100,0%)	0,0%	(100,0%)	0,0%	6,0%	6,0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	608,4%	105,4%	(48,9%)	(100,0%)	0,0%	(100,0%)	0,0%	6,0%	6,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	15,4%	3,3%	3,1%	2,7%	0,0%	2,7%	0,0%	1,6%	1,6%	1,6%
Asset renewal % of capital budget	20(1)(vi)	14	5,8%	7,2%	0,0%	4,6%	0,0%	4,6%	0,0%	0,0%	4,9%	5,2%

2.6.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements. If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very likely to meet the MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2018/19 MTREF show a positive R9.6 million, R10.2 million and R10.8 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality applies its available cash and investments. In the Municipality's case, the total of cash plus investment, less applications, is more than the commitments for each corresponding year the 2018/19 MTREF, which shows that the Municipality can afford its commitments in the medium term. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress (i.e. the number of times that average monthly payments are covered) from a collection and cash in-flow perspective. This ratio is 0.1 in 2018/19, 19/20 and in 20/21 MTREF period, which shows that stable provision in respect of the monthly payment coverage has been made. The municipal's view is that one months' provision is sufficient.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution towards the economic benefits they are consuming over the medium term. For the 2018/2019 MTREF the indicative outcome is a deficit of R 327.8 million, R331.7 million and R318.7 million which means forecast tariffs and taxes are sufficient, implying that the community is making an adequate contribution to the economic benefits they receive.



2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to test whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc. At 6.0%, 0.0% and 0.0% for the three MTREF years the ratio for 2018/19 is less than the National Treasury CPI targets

2.6.5.6 Cash receipts as a percentage of ratepayers and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 60.2% for 2018/19, 2019/20 and 2020/2021. Given that the assumed collection rate was based on the 100 per cent performance target, the cash flow statement has been conservatively determined.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the assumption for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 36.1% average per cent over the MTREF. Considering the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice and might change once the strategies kick-start.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100% per cent timing discount has been factored into the cash position forecasted in 2018/2019 financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that creditors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Extremely funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 0% per cent of own funded capital for the 2018/19 financial year.



2.6.5.10 Transfers/grants revenue as percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor, the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to assess repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets



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2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

TABLE 44

FS194 Maluti-a-Phofung - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		403 189	454 043	458 944	501 132	498 217	498 217	545 054	594 418	644 143
Local Government Equitable Share		392 155	451 438	457 134	493 768	490 853	490 853	538 719	591 738	641 031
Finance Management		1 600	1 675	1 810	2 145	2 145	2 145	2 215	2 680	3 112
Municipal Systems Improvement		934	930	-	-	-	-	-	-	-
Water Services Operating Subsidy		8 500	-	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	5 219	5 219	5 219	4 120	-	-
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	2 500	-	2 500	2 750	3 350	3 610
Sport and Recreation		-	-	-	-	-	-	2 750	1 350	1 500
Other transfers/grants [insert description]		-	-	-	2 500	-	2 500	-	2 000	2 110
Total Operating Transfers and Grants	5	403 189	454 043	458 944	503 632	498 217	500 717	547 804	597 768	647 753
Capital Transfers and Grants										
National Government:		206 474	186 197	178 731	215 732	185 732	185 732	223 321	231 963	263 435
Municipal Infrastructure Grant (MIG)		154 260	157 047	154 870	165 732	140 732	140 732	159 321	162 763	172 285
Regional Bulk Infrastructure		31 548	-	-	-	-	-	-	-	-
DoE- Intergrated National Electrification Programme		11 300	18 932	-	-	5 000	5 000	29 000	19 200	38 400
Expanded Public Works Incentive Programme		4 866	5 718	7 650	-	-	-	-	-	-
Rural Households Infrastructure		4 499	4 500	-	-	-	-	-	-	-
Water services infrastructure grant		-	-	16 211	50 000	40 000	40 000	35 000	50 000	52 750
Total Capital Transfers and Grants	5	206 474	186 197	178 731	215 732	185 732	185 732	223 321	231 963	263 435
TOTAL RECEIPTS OF TRANSFERS & GRANTS		609 663	640 240	637 676	719 364	683 949	686 449	771 125	829 731	911 188

TABLE 45

FS194 Maluti-a-Phofung - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		403 189	454 043	458 944	501 132	498 217	498 217	545 054	594 418	644 143
Local Government Equitable Share		392 155	451 438	457 134	493 768	490 853	490 853	538 719	591 738	641 031
Finance Management		1 600	1 675	1 810	2 145	2 145	2 145	2 215	2 680	3 112
Municipal Systems Improvement		934	930	-	-	-	-	-	-	-
Water Services Operating Subsidy		8 500	-	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	5 219	5 219	5 219	4 120	-	-
Provincial Government:		-	-	-	2 500	-	-	2 750	3 350	3 610
Sport and Recreation		-	-	-	-	-	-	2 750	1 350	1 500
Municipal support programme		-	-	-	2 500	-	-	-	2 000	2 110
Total operating expenditure of Transfers and Grants		403 189	454 043	458 944	503 632	498 217	498 217	547 804	597 768	647 753
Capital expenditure of Transfers and Grants										
National Government:		206 474	186 197	178 731	215 732	185 732	185 732	223 321	231 963	263 435
Municipal Infrastructure Grant (MIG)		154 260	157 047	154 870	165 732	140 732	140 732	159 321	162 763	172 285
Regional Bulk Infrastructure		31 548	-	-	-	-	-	-	-	-
DoE- Intergrated National Electrification Programme		11 300	18 932	-	-	5 000	5 000	29 000	19 200	38 400
Expanded Public Works Incentive Programme		4 866	5 718	7 650	-	-	-	-	-	-
Rural Households Infrastructure		4 499	4 500	-	-	-	-	-	-	-
Water services infrastructure grant		-	-	16 211	50 000	40 000	40 000	35 000	50 000	52 750
Total capital expenditure of Transfers and Grants		206 474	186 197	178 731	215 732	185 732	185 732	223 321	231 963	263 435
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		609 663	640 240	637 676	719 364	683 949	683 949	771 125	829 731	911 188



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TABLE 46

FS194 Maluti-a-Phofung - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		403 189	454 043	458 944	501 132	498 217	498 217	545 054	594 418	644 143
Conditions met - transferred to revenue		403 189	454 043	458 944	501 132	498 217	498 217	545 054	594 418	644 143
Current year receipts		-	-	-	2 500	-	2 500	2 750	3 350	3 610
Conditions met - transferred to revenue		-	-	-	2 500	-	2 500	2 750	3 350	3 610
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		403 189	454 043	458 944	503 632	498 217	500 717	547 804	597 768	647 753
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		(1 787)	(2 854)	3 678						
Current year receipts		111 759	189 052	182 520	215 732	185 732	185 732	223 321	231 963	263 435
Conditions met - transferred to revenue		109 972	186 197	186 198	215 732	185 732	185 732	223 321	231 963	263 435
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		109 972	186 197	186 198	215 732	185 732	185 732	223 321	231 963	263 435
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		513 161	640 240	645 142	719 364	683 949	686 449	771 125	829 731	911 188
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

Allocations and grants made by the municipality

TABLE 47

FS194 Maluti-a-Phofung - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Transfers to Entities/Other External Mechanisms											
<i>Equitable share to Maluti Water</i>	2	-	-	109 000	115 540	-	115 540	-	140 000	147 000	154 350
Total Cash Transfers To Entities/Ems'		-	-	109 000	115 540	-	115 540	-	140 000	147 000	154 350
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	109 000	115 540	-	115 540	-	140 000	147 000	154 350



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2.8 COUNCILLORS AND EMPLOYEE BENEFITS

TABLE 48

FS194 Maluti-a-Phofung - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages										
Pension and UIF Contributions		1 789	1 993	211	368	-	-	390	413	438
Medical Aid Contributions		248	250	249	338	-	-	358	380	403
Motor Vehicle Allowance		3 047	2 951	1 266	1 338	-	-	1 419	1 504	1 594
Cellphone Allowance		1 471	1 410	1 196	1 021	-	-	1 082	1 147	1 216
Housing Allowances			-	-		-	-	-	-	-
Other benefits and allowances		16 934	16 530	21 218	20 292	-	-	21 510	22 800	24 168
Sub Total - Councillors		23 489	23 134	24 141	23 357	-	-	24 758	26 244	27 819
% increase	4		(1,5%)	4,4%	(3,2%)	(100,0%)	-	-	6,0%	6,0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		7 269	9 100	7 467	9 840	-	-	8 585	9 100	9 646
Pension and UIF Contributions		1 520	424	893	295	-	-	443	470	498
Medical Aid Contributions		25	87	101	155	-	-	164	174	185
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1 807	1 153	1 184	1 426	-	-	1 146	1 215	1 287
Cellphone Allowance	3	96	115	137	186	-	-	197	209	222
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	177	73	200	-	-	78	82	87
Payments in lieu of leave		-	292	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		10 716	11 347	9 855	12 103	-	-	10 613	11 250	11 925
% increase	4		5,9%	(13,2%)	22,8%	(100,0%)	-	-	6,0%	6,0%
Other Municipal Staff										
Basic Salaries and Wages		154 015	191 569	213 434	238 904	-	-	253 238	268 432	284 538
Pension and UIF Contributions		24 299	31 122	42 388	34 321	-	-	36 380	38 563	40 877
Medical Aid Contributions		9 082	10 588	13 550	11 796	-	-	12 504	13 254	14 050
Overtime		26 863	28 116	35 958	13 499	-	-	14 309	15 167	16 078
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	3 369	6 987	5 961	12 092	-	-	12 818	13 587	14 402
Cellphone Allowance	3	693	934	802	839	-	-	889	943	999
Housing Allowances	3	678	1 338	1 555	1 386	-	-	1 469	1 557	1 651
Other benefits and allowances	3	12 780	7 617	18 601	11 207	-	-	6 569	6 963	7 380
Payments in lieu of leave		13 029	16 952	3 827	2 840	-	-	3 011	3 191	3 383
Long service awards		(152)	2 007	2 618	4 198	-	-	4 450	4 717	5 000
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		244 657	297 229	338 695	331 083	-	-	345 637	366 375	388 357
% increase	4		21,5%	14,0%	(2,2%)	(100,0%)	-	-	6,0%	6,0%
Total Parent Municipality		278 861	331 711	372 691	366 542	-	-	381 008	403 869	428 101
			19,0%	12,4%	(1,6%)	(100,0%)	-	-	6,0%	6,0%
TOTAL SALARY, ALLOWANCES & BENEFITS		278 861	331 711	372 691	366 542	-	-	381 008	403 869	428 101
% increase	4		19,0%	12,4%	(1,6%)	(100,0%)	-	-	6,0%	6,0%
TOTAL MANAGERS AND STAFF	5,7	255 372	308 576	348 550	343 185	-	-	356 250	377 625	400 283



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TABLE 49

FS194 Maluti-a-Phofung - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	–	17 280	688 249			705 529
Chief Whip		1	–	–	664 211			664 211
Executive Mayor		1	–	–	870 814			870 814
Deputy Executive Mayor		–	–	–	–			–
Executive Committee		11	–	103 680	7 202 641			7 306 321
Total for all other councillors		54	–	187 747	15 023 778			15 211 525
Total Councillors	8	68	–	308 707	24 449 693			24 758 400
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 177 053	–	1 785	–		1 178 838
Chief Finance Officer		1	1 189 087	1 785	198 000	–		1 388 871
Director corporate services		1	908 900	–	131 447	–		1 040 347
Director Public safety & Transport		1	832 894	188 018	217 805	–		1 238 717
Director LED & Tourism		1	828 482	170 381	234 604	–		1 233 467
Directors - Infrastructure; Human Settlements; Community Services;		5	3 648 670	247 338	637 119	–		4 533 127
Total Senior Managers of the Municipality	8,10	10	8 585 086	607 522	1 420 760	–		10 613 367
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	78	8 585 086	916 229	25 870 453	–		35 371 767

TABLE 50

FS194 Maluti-a-Phofung - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		69	14	55	68	14	54	68	14	54
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	6	–	6	10	–	10	8	–	10
Other Managers	7	50	45	5	34	31	3	37	37	–
Professionals		1 142	1 006	136	1 170	1 013	157	1 093	936	157
Finance		42	42	–	58	58	–	6	6	–
Spatial/town planning		27	27	–	19	19	–	17	17	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		15	15	–	16	16	–	49	49	–
Electricity		15	15	–	28	28	–	18	18	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		10	10	–	9	9	–	8	8	–
Other		1 033	897	136	1 040	883	157	995	838	157
Technicians		20	20	–	27	25	2	30	30	–
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		1	1	–	–	–	–	–	–	–
Information Technology		5	5	–	3	3	–	6	6	–
Roads		–	–	–	3	1	2	3	3	–
Electricity		–	–	–	1	1	–	1	1	–
Water		14	14	–	19	19	–	19	19	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)		68	39	29	49	37	12	28	27	1
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		–	–	–	–	–	–	–	–	–
Elementary Occupations		–	–	–	–	–	–	–	–	–
TOTAL PERSONNEL NUMBERS	9	1 355	1 124	231	1 358	1 120	238	1 264	1 044	222
% Increase					0,2%	(0,4%)	3,0%	(6,9%)	(6,8%)	(6,7%)
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10	60	59	1	65	64	1	74	74	–
Human Resources personnel headcount	8, 10	11	11		11	11		14	13	1



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

2.8.1 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

TABLE 51

FS194 Maluti-a-Phofung - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework			
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
Revenue By Source																		
Property rates			16 608	16 608	16 608	15 985	16 608	19 722	16 608	16 400	20 552	16 400	16 192	19 306	207 596	220 052	233 255	
Service charges - electricity revenue			30 100	30 100	30 100	28 971	30 100	35 744	30 100	29 724	37 249	29 724	29 348	34 991	376 253	398 828	422 757	
Service charges - water revenue			6 641	6 641	6 641	6 392	6 641	7 886	6 641	6 558	8 218	6 558	6 475	7 720	83 014	87 995	93 274	
Service charges - sanitation revenue			3 526	3 526	3 526	3 394	3 526	4 187	3 526	3 482	4 363	3 482	3 438	4 099	44 072	46 716	49 519	
Service charges - refuse revenue			2 954	2 954	2 954	2 843	2 954	3 508	2 954	2 917	3 655	2 917	2 880	3 434	36 921	39 137	41 485	
Service charges - other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment			108	108	108	104	108	128	108	106	133	106	105	125	1 346	1 426	1 512	
Interest earned - external investments			232	232	232	223	232	276	232	229	287	229	226	270	2 900	3 074	3 258	
Interest earned - outstanding debtors			2 697	2 697	2 697	2 596	2 697	3 202	2 697	2 663	3 337	2 663	2 629	3 135	33 708	35 730	37 874	
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits			1 188	1 188	1 188	1 144	1 188	1 411	1 188	1 173	1 470	1 173	1 159	1 381	14 853	15 744	16 689	
Licences and permits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency services			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies			219 122	-	-	-	197 209	-	-	-	131 473	-	-	-	547 804	597 768	647 753	
Other revenue			1 216	1 216	1 216	1 171	1 216	1 445	1 216	1 201	1 505	1 201	1 186	1 414	15 206	16 118	17 085	
Gains on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)			284 391	65 269	65 269	62 822	262 479	77 507	65 269	64 454	212 244	64 454	63 638	75 876	1 363 672	1 462 588	1 564 463	
Expenditure By Type																		
Employee related costs			28 500	28 500	28 500	27 431	28 500	33 844	28 500	28 144	35 269	28 144	27 788	33 131	356 250	377 625	400 283	
Remuneration of councillors			1 981	1 981	1 981	1 906	1 981	2 352	1 981	1 956	2 451	1 956	1 931	2 303	24 758	26 244	27 819	
Debt impairment			21 600	21 600	21 600	20 790	21 600	25 650	21 600	21 330	26 730	21 330	21 060	25 110	270 000	286 200	303 372	
Depreciation & asset impairment			21 600	21 600	21 600	20 790	21 600	25 650	21 600	21 330	26 730	21 330	21 060	25 110	270 000	286 200	303 372	
Finance charges			400	400	400	385	400	475	400	395	495	395	390	465	5 000	5 300	5 618	
Bulk purchases			48 000	48 000	48 000	46 200	48 000	57 000	48 000	47 400	59 400	47 400	46 800	55 800	600 000	636 000	674 160	
Other materials			4 756	4 756	4 756	4 578	4 756	5 648	4 756	4 697	5 886	4 697	4 637	5 529	59 450	63 017	66 798	
Contracted services			5 040	5 040	5 040	4 851	5 040	5 985	5 040	4 977	6 237	4 977	4 914	5 859	63 000	66 780	70 787	
Transfers and subsidies			11 200	11 200	11 200	10 780	11 200	13 300	11 200	11 060	13 860	11 060	10 920	13 020	140 000	147 000	154 350	
Other expenditure			10 107	10 107	10 107	9 728	10 107	12 002	10 107	9 980	12 507	9 980	9 854	11 749	126 333	131 886	140 060	
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure			153 183	153 183	153 183	147 439	153 183	181 905	153 183	151 269	189 564	151 269	149 354	178 076	1 914 792	2 026 251	2 146 618	
Surplus/(Deficit)			131 208	(87 914)	(87 914)	(84 617)	109 296	(104 398)	(87 914)	(86 815)	22 680	(86 815)	(85 716)	(102 200)	(551 119)	(563 663)	(582 155)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			89 328	-	-	-	80 396	-	-	-	53 597	-	-	-	223 321	231 963	263 435	
Surplus/(Deficit) after capital transfers & contributions			220 536	(87 914)	(87 914)	(84 617)	189 691	(104 398)	(87 914)	(86 815)	76 277	(86 815)	(85 716)	(102 200)	(327 798)	(331 700)	(318 720)	
Surplus/(Deficit)			1	220 536	(87 914)	(87 914)	(84 617)	189 691	(104 398)	(87 914)	(86 815)	76 277	(86 815)	(85 716)	(102 200)	(327 798)	(331 700)	(318 720)



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TABLE 52

FS194 Maluti-a-Phofung - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																
Vote 1 - Legislative Authority														-	-	-
Vote 2 - Office of the Municipal Manager														-	-	-
Vote 3 - Corporate Services		40	40	40	39	40	48	40	40	50	40	39	47	500	530	562
Vote 4 - Financial Services		309 687	1 237	1 237	1 191	278 842	1 469	1 237	1 222	186 601	1 222	1 206	1 438	786 589	856 812	922 271
Vote 5 - Municipal Infrastructure		28 033	28 033	28 033	26 981	28 033	33 289	28 033	27 682	34 690	27 682	27 332	32 588	350 407	366 674	406 229
Vote 6 - Community Services		3 217	3 217	3 217	3 096	3 217	3 820	3 217	3 176	3 980	3 176	3 136	3 739	40 207	42 619	45 176
Vote 7 - Public Safety & Transport		1 269	1 269	1 269	1 222	1 269	1 507	1 269	1 253	1 571	1 253	1 238	1 476	15 866	16 818	17 827
Vote 8 - Sports, Parks, Arts & Culture		257	257	257	247	257	305	257	254	318	254	251	299	3 213	1 841	2 020
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		330	330	330	317	330	391	330	325	408	325	321	383	4 120	-	-
Vote 10 - Human Settlements		160	160	160	154	160	190	160	158	198	158	156	186	1 999	2 119	2 246
Vote 11 - IDP - PMS Department		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Spatial Development, Planning & Traditional		271	271	271	261	271	322	271	268	335	268	264	315	3 389	3 592	3 808
Vote 13 - Electricity Department		30 456	30 456	30 456	29 314	30 456	36 167	30 456	30 076	37 690	30 076	29 695	35 405	380 704	403 546	427 759
Total Revenue by Vote		373 719	65 269	65 269	62 822	342 874	77 507	65 269	64 454	265 841	64 454	63 638	75 876	1 586 993	1 694 551	1 827 898
Expenditure by Vote to be appropriated																
Vote 1 - Legislative Authority		3 949	3 949	3 949	3 801	3 949	4 689	3 949	3 899	4 886	3 899	3 850	4 590	49 359	52 320	55 459
Vote 2 - Office of the Municipal Manager		2 251	2 251	2 251	2 167	2 251	2 673	2 251	2 223	2 786	2 223	2 195	2 617	28 139	29 828	31 617
Vote 3 - Corporate Services		3 866	3 866	3 866	3 721	3 866	4 591	3 866	3 817	4 784	3 817	3 769	4 494	48 322	51 221	54 295
Vote 4 - Financial Services		64 002	64 002	64 002	61 602	64 002	76 003	64 002	63 202	79 203	63 202	62 402	74 402	800 027	848 968	898 697
Vote 5 - Municipal Infrastructure		4 752	4 752	4 752	4 574	4 752	5 643	4 752	4 693	5 881	4 693	4 633	5 524	59 402	62 966	66 744
Vote 6 - Community Services		5 214	5 214	5 214	5 018	5 214	6 191	5 214	5 149	6 452	5 149	5 083	6 061	65 173	69 083	73 228
Vote 7 - Public Safety & Transport		6 960	6 960	6 960	6 699	6 960	8 265	6 960	6 873	8 613	6 873	6 786	8 091	87 003	92 223	97 757
Vote 8 - Sports, Parks, Arts & Culture		3 383	3 383	3 383	3 256	3 383	4 017	3 383	3 341	4 186	3 341	3 298	3 933	42 286	44 824	47 513
Vote 9 - LED, Tourism, SMME's, Rural & agricultural de		1 653	1 653	1 653	1 591	1 653	1 963	1 653	1 632	2 045	1 632	1 611	1 921	20 660	17 532	18 584
Vote 10 - Human Settlements		767	767	767	738	767	910	767	757	949	757	747	891	9 581	10 156	10 766
Vote 11 - IDP - PMS Department		419	419	419	404	419	498	419	414	519	414	409	487	5 241	5 555	5 889
Vote 12 - Spatial Development, Planning & Traditional		1 087	1 087	1 087	1 047	1 087	1 291	1 087	1 074	1 346	1 074	1 060	1 264	13 591	14 407	15 271
Vote 13 - Electricity Department		54 881	54 881	54 881	52 823	54 881	65 171	54 881	54 195	67 915	54 195	53 509	63 799	686 008	727 168	770 798
Total Expenditure by Vote		153 183	153 183	153 183	147 439	153 183	181 905	153 183	151 269	189 564	151 269	149 354	178 076	1 914 792	2 026 251	2 146 618
Surplus/(Deficit) before assoc.		220 536	(87 914)	(87 914)	(84 617)	189 691	(104 398)	(87 914)	(86 815)	76 277	(86 815)	(85 716)	(102 200)	(327 798)	(331 700)	(318 720)
Surplus/(Deficit)	1	220 536	(87 914)	(87 914)	(84 617)	189 691	(104 398)	(87 914)	(86 815)	76 277	(86 815)	(85 716)	(102 200)	(327 798)	(331 700)	(318 720)

TABLE 53

FS194 Maluti-a-Phofung - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue - Functional																
Governance and administration		309 687	1 237	1 237	1 191	278 842	1 469	1 237	1 222	186 601	1 222	1 206	1 938	787 089	857 342	922 833
Finance and administration		309 687	1 237	1 237	1 191	278 842	1 469	1 237	1 222	186 601	1 222	1 206	1 938	787 089	857 342	922 833
Community and public safety		727	727	727	700	727	864	727	718	900	718	709	846	9 093	8 074	8 627
Community and social services		283	283	283	272	283	336	283	279	350	279	276	329	3 535	3 747	3 972
Sport and recreation		257	257	257	247	257	305	257	254	318	254	251	299	3 213	1 841	2 020
Public safety		48	48	48	46	48	57	48	47	59	47	47	55	596	632	670
Housing		140	140	140	135	140	166	140	138	173	138	136	163	1 749	1 854	1 965
Economic and environmental services		19 358	19 358	19 358	18 632	19 358	22 988	19 358	19 116	23 956	19 116	18 874	22 504	241 980	251 741	284 400
Planning and development		18 137	18 137	18 137	17 457	18 137	21 537	18 137	17 910	22 444	17 910	17 683	21 084	226 710	235 555	267 243
Road transport		1 222	1 222	1 222	1 176	1 222	1 451	1 222	1 206	1 512	1 206	1 191	1 420	15 270	16 186	17 157
Trading services		43 577	43 577	43 577	41 943	43 577	51 748	43 577	43 032	53 926	43 032	42 487	50 658	544 712	577 394	612 038
Energy sources		30 456	30 456	30 456	29 314	30 456	36 167	30 456	30 076	37 690	30 076	29 695	35 405	380 704	403 546	427 759
Water management		6 641	6 641	6 641	6 392	6 641	7 886	6 641	6 558	8 218	6 558	6 475	7 720	83 014	87 995	93 274
Waste water management		3 526	3 526	3 526	3 394	3 526	4 187	3 526	3 482	4 363	3 482	3 438	4 099	44 072	46 716	49 519
Waste management		2 954	2 954	2 954	2 843	2 954	3 508	2 954	2 917	3 655	2 917	2 880	3 434	36 921	39 137	41 485
Other		330	330	330	317	330	391	330	325	408	325	321	383	4 120	-	-
Total Revenue - Functional		373 679	65 229	65 229	62 783	342 834	77 460	65 229	64 414	265 791	64 414	63 599	76 329	1 586 993	1 694 551	1 827 898
Expenditure - Functional																
Governance and administration		76 343	76 343	76 343	73 480	76 343	90 658	76 343	75 389	94 475	75 389	74 435	88 749	954 290	1 012 487	1 072 027
Executive and council		4 630	4 630	4 630	4 456	4 630	5 498	4 630	4 572	5 730	4 572	4 514	5 382	57 876	61 349	65 029
Finance and administration		71 342	71 342	71 342	68 667	71 342	84 719	71 342	70 450	88 286	70 450	69 558	82 935	891 775	946 221	1 001 785
Internal audit		371	371	371	357	371	441	371	366	459	366	362	431	4 639	4 918	5 213
Community and public safety		9 104	9 104	9 104	8 762	9 104	10 811	9 104	8 990	11 266	8 990	8 876	10 583	113 795	120 623	127 860
Community and social services		1 861	1 861	1 861	1 792	1 861	2 210	1 861	1 838	2 304	1 838	1 815	2 164	23 268	24 664	26 144
Sport and recreation		3 383	3 383	3 383	3 256	3 383	4 017	3 383	3 341	4 186	3 341	3 298	3 933	42 286	44 824	47 513
Public safety		3 347	3 347	3 347	3 222	3 347	3 975	3 347	3 306	4 142	3 306	3 264	3 891	41 843	44 353	47 015
Housing		512	512	512	493	512	608	512	505	633	505	499	595	6 398	6 782	7 188
Economic and environmental services		7 900	7 900	7 900	7 604	7 900	9 382	7 900	7 802	9 777	7 802	7 703	9 184	98 755	104 680	110 961
Planning and development		1 976	1 976	1 976	1 902	1 976	2 346	1 976	1 951	2 445	1 951	1 926	2 297	24 696	26 178	27 748
Road transport		5 925	5 925	5 925	5 703	5 925	7 036	5 925	5 851	7 332	5 851	5 777	6 888	74 059	78 503	83 213
Trading services		58 652	58 652	58 652	56 453	58 652	69 650	58 652	57 919	72 582	57 919	57 186	68 183	733 156	777 145	823 774
Energy sources		54 881	54 881	54 881	52 823	54 881	65 171	54 881	54 195	67 915	54 195	53 509	63 799	686 008	727 168	770 798
Waste management		3 772	3 772	3 772	3 630	3 772	4 479	3 772	3 725	4 668	3 725	3 678	4 385	47 148	49 977	52 976
Other		1 184	1 184	1 184	1 139	1 184	1 406	1 184	1 169	1 465	1 169	1 154	1 376	14 796	11 317	11 995
Total Expenditure - Functional		153 183	153 183	153 183	147 439	153 183	181 905	153 183	151 269	189 564	151 269	149 354	178 076	1 914 792	2 026 251	2 146 618
Surplus/(Deficit) before assoc.		220 496	(87 954)	(87 954)	(84 656)	189 651	(104 445)	(87 954)	(86 854)	76 227	(86 854)	(85 755)	(101 746)	(327 798)	(331 700)	(318 720)
Surplus/(Deficit)	1	220 496	(87 954)	(87 954)	(84 656)	189 651	(104 445)	(87 954)	(86 854)	76 227	(86 854)	(85 755)	(101 746)	(327 798)	(331 700)	(318 720)



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 54

FS194 Maluti-a-Phofung - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Multi-year expenditure to be appropriated	1															
Vote 5 - Municipal Infrastructure		20 099	15 632	13 399	22 332	17 866	20 099	20 099	22 332	33 498	15 632	8 933	13 399	223 321	231 963	263 435
Capital multi-year expenditure sub-total	2	20 099	15 632	13 399	22 332	17 866	20 099	20 099	22 332	33 498	15 632	8 933	13 399	223 321	231 963	263 435
Single-year expenditure to be appropriated																
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	20 099	15 632	13 399	22 332	17 866	20 099	20 099	22 332	33 498	15 632	8 933	13 399	223 321	231 963	263 435

TABLE 55

FS194 Maluti-a-Phofung - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		5 537	4 306	3 691	6 152	4 922	5 537	5 537	6 152	9 228	4 306	2 461	3 691	61 520	24 742	22 897
Community and social services		4 098	3 187	2 732	4 553	3 643	4 098	4 098	4 553	6 830	3 187	1 821	2 732	45 532	18 244	20 871
Sport and recreation		1 439	1 119	959	1 599	1 279	1 439	1 439	1 599	2 398	1 119	640	959	15 988	6 499	2 026
Economic and environmental services		2 844	2 212	1 896	3 160	2 528	2 844	2 844	3 160	4 739	2 212	1 264	1 896	31 595	12 278	16 344
Planning and development													-	-	-	-
Road transport		2 844	2 212	1 896	3 160	2 528	2 844	2 844	3 160	4 739	2 212	1 264	1 896	31 595	12 278	16 344
Trading services		11 002	8 557	7 334	12 224	9 779	11 002	11 002	12 224	18 336	8 557	4 890	7 334	122 240	186 805	215 579
Energy sources		2 682	2 086	1 788	2 980	2 384	2 682	2 682	2 980	4 470	2 086	1 192	1 788	29 798	19 200	49 898
Water management		4 763	3 704	3 175	5 292	4 234	4 763	4 763	5 292	7 938	3 704	2 117	3 175	52 919	117 809	120 698
Waste water management		3 557	2 767	2 371	3 952	3 162	3 557	3 557	3 952	5 928	2 767	1 581	2 371	39 522	49 796	44 983
Other		717	558	478	797	637	717	717	797	1 195	558	319	478	7 966	8 138	8 614
Total Capital Expenditure - Functional	2	20 099	15 632	13 399	22 332	17 866	20 099	20 099	22 332	33 498	15 632	8 933	13 399	223 321	231 963	263 435
Funded by:																
National Government		20 099	15 632	13 399	22 332	17 866	20 099	20 099	22 332	33 498	15 632	8 933	13 399	223 321	231 963	263 435
Transfers recognised - capital		20 099	15 632	13 399	22 332	17 866	20 099	20 099	22 332	33 498	15 632	8 933	13 399	223 321	231 963	263 435
Total Capital Funding		20 099	15 632	13 399	22 332	17 866	20 099	20 099	22 332	33 498	15 632	8 933	13 399	223 321	231 963	263 435



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 56

FS194 Maluti-a-Phofung - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source													1		
Property rates	8 304	8 304	8 304	7 992	8 304	9 861	8 304	8 200	10 276	8 200	8 096	9 653	103 798	110 026	116 627
Service charges - electricity revenue	21 070	21 070	21 070	20 280	21 070	25 021	21 070	20 807	26 074	20 807	20 543	24 494	263 377	279 179	295 930
Service charges - water revenue	3 985	3 985	3 985	3 835	3 985	4 732	3 985	3 935	4 931	3 935	3 885	4 632	49 808	52 797	55 965
Service charges - sanitation revenue	2 115	2 115	2 115	2 036	2 115	2 512	2 115	2 089	2 618	2 089	2 063	2 459	26 443	28 030	29 712
Service charges - refuse revenue	1 772	1 772	1 772	1 706	1 772	2 105	1 772	1 750	2 193	1 750	1 728	2 060	22 153	23 482	24 891
Rental of facilities and equipment	97	97	97	93	97	115	97	96	120	96	94	113	1 211	1 284	1 361
Interest earned - external investments	209	209	209	201	209	248	209	206	258	206	204	243	2 610	2 767	2 933
Interest earned - outstanding debtors	1 348	1 348	1 348	1 298	1 348	1 601	1 348	1 331	1 669	1 331	1 315	1 567	16 854	17 865	18 937
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	713	713	713	686	713	847	713	704	882	704	695	829	8 912	9 446	10 013
Transfer receipts - operational	219 122	-	-	-	197 209	-	-	-	131 473	-	-	-	547 804	597 768	647 753
Other revenue	1 095	1 095	1 095	1 054	1 095	1 300	1 095	1 081	1 355	1 081	1 067	1 273	13 685	14 506	15 377
Cash Receipts by Source	259 830	40 708	40 708	39 182	237 918	48 341	40 708	40 199	181 849	40 199	39 690	47 323	1 056 655	1 137 150	1 219 498
Other Cash Flows by Source															
Transfer receipts - capital	89 328	-	-	-	80 396	-	-	-	53 597	-	-	-	223 321	231 963	263 435
Total Cash Receipts by Source	349 158	40 708	40 708	39 182	318 313	48 341	40 708	40 199	235 446	40 199	39 690	47 323	1 279 976	1 369 113	1 482 933
Cash Payments by Type															
Employee related costs	28 500	28 500	28 500	27 431	28 500	33 844	28 500	28 144	35 269	28 144	27 788	33 131	356 250	377 625	400 283
Remuneration of councillors	1 981	1 981	1 981	1 906	1 981	2 352	1 981	1 956	2 451	1 956	1 931	2 303	24 758	26 244	27 819
Finance charges	360	360	360	347	360	428	360	356	446	356	351	419	4 500	4 770	5 056
Bulk purchases - Electricity	22 986	22 986	22 986	22 124	22 986	27 296	22 986	22 698	28 445	22 698	22 411	26 721	287 322	327 553	357 819
Other materials	4 518	4 518	4 518	4 349	4 518	5 365	4 518	4 462	5 591	4 462	4 405	5 252	56 478	61 126	64 126
Contracted services	4 788	4 788	4 788	4 608	4 788	5 686	4 788	4 728	5 925	4 728	4 668	5 566	59 850	64 777	69 371
Transfers and grants - other	10 640	10 640	10 640	10 241	10 640	12 635	10 640	10 507	13 167	10 507	10 374	12 369	133 000	142 590	154 350
Other expenditure	10 107	10 107	10 107	9 728	10 107	12 002	10 107	9 980	12 507	9 980	9 854	11 749	126 333	131 886	140 060
Cash Payments by Type	83 879	83 879	83 879	80 734	83 879	99 607	83 879	82 831	103 801	82 831	81 782	97 510	1 048 491	1 136 570	1 218 884
Other Cash Flows/Payments by Type															
Capital assets	17 866	17 866	17 866	17 196	17 866	21 215	17 866	17 642	22 109	17 642	17 419	20 769	223 321	231 963	263 435
Total Cash Payments by Type	101 745	101 745	101 745	97 930	101 745	120 822	101 745	100 473	125 909	100 473	99 201	118 279	1 271 812	1 368 533	1 482 319
NET INCREASE/(DECREASE) IN CASH HELD	247 413	(61 037)	(61 037)	(58 748)	216 568	(72 481)	(61 037)	(60 274)	109 537	(60 274)	(59 511)	(70 955)	8 164	580	615
Cash/cash equivalents at the month/year begin:	1 500	248 913	187 876	126 839	68 091	284 660	212 178	151 141	90 867	200 404	140 130	80 619	1 500	9 664	10 244
Cash/cash equivalents at the month/year end:	248 913	187 876	126 839	68 091	284 660	212 178	151 141	90 867	200 404	140 130	80 619	9 664	9 664	10 244	10 859



2.10 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

The SDBIP gives effect to the Integrated Development Plan and Budget of the municipality. It is the expression of the objectives of the MAP municipality with the expected outcomes which will be implemented by the administration (Directorates) within MAP municipality. It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It facilitates oversight of financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the Directors, The Executive Mayor/ Council to monitor the performance of the Municipal Manager, and the community to monitor the performance of the Municipality. The Service Delivery Budget Implementation Plan (SDBIP) will be approved the Executive Mayor after the approval of the annual budget.

In terms of section 53(1) © (ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is expected to be approved by the mayor within 28 days after the approval of the budget and in addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public within 14 days after its approval

The SDBIP must contain the following:

- Measurable objectives,
- Monthly Projections
- Service delivery strategies,
- Key outputs,
- Performance/service delivery indicators, and
- Performance/service delivery targets.

These plans will be used as justification for the allocation of funds, whether it is of a capital or an operational nature. It is important that Portfolio Committee members are involved in the compilation of these operational plans to ensure that they address political aspirations.



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2.11 CONTRACT HAVING FUTURE BUDGETARY IMPLICATIONS

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

TABLE 57

FS194 Maluti-a-Phofung - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc.														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
CONTRACTED SERVICES: INDIGENT REGISTER			5 000	3 000	3 180	3 371								14 551
CONTRACTED SERVICES: ELECTRICITY VENDORS		9 000	6 064	5 000	5 300	5 618								
CONTRACTED SERVICES: INSURANCE		20 000	13 939	10 000	10 600	11 236								
CONTRACTED SERVICES: LANDFILL SITE MANAGEMENT		2 340	5 040	4 000	4 240	4 494								
CONTRACTED SERVICES: VALUATION ROLL		1 500	1 500	1 500	1 590	1 685								
CONTRACTED SERVICES: FINANCIAL SYSTEM		2 000	5 000	5 000	5 300	5 618								
CONTRACTED SERVICES: PRINTING/CONSUMER ACCOUNTS		500	200	-	-	-								
CONTRACTED SERVICES: REVENUE ENHANCEMENT		15 150	10 000	5 000	5 300	5 618								
CONTRACTED SERVICES: STREETLIGHTS		10 000	3 000	3 000	3 180	3 371								
CONTRACTED SERVICES: VAT REVIEW		5 000	3 000	3 000	3 180	3 371								
CONTRACTED SERVICES: FINANCIAL STATEMENTS		5 000	5 000	5 000	5 300	5 618								
CONTRACTED SERVICES: ASSETS VERIFICATION		1 000	500	500	530	562								
CONTRACTED SERVICES: URBAN RENEWAL		5 400	3 000	2 000	2 120	2 247								
CONTRACTED SERVICES: DEBT COLLECTORS		2 000	1 500	1 500	1 590	1 685								
CONTRACTED SERVICES: SCM DATABASE		450												
CONTRACTED SERVICES: SCM MANAGEMENT SUPPORT		800	400											
CONTRACTED SERVICES: TRAFFIC MANAGEMENT		2 000	3 500	1 500	1 590	1 685								
CONTRACTED SERVICES: SECURITY SERVICES		5 000	6 000	6 000	6 360	6 742								
CONTRACTED SERVICES: ICT SUPPORT (BC SOLUTIONS)			5 000	5 000	5 300	5 618								
CONTRACTED SERVICES: RURAL FORMALISATION			1 000	1 000	1 060	1 124								
CONTRACTED SERVICES: FENCING OF LANDFILL SITE			3 500	1 000	1 060	1 124								
Total Operating Expenditure Implication		87 140	82 143	63 000	66 780	70 787	-	-	-	-	-	-	-	369 850
Capital Expenditure Obligation By Contract	2													
Intabazwe/Hanismsith: New Commuter Infrastructure Facility (MIS:225752)		6 356	1 605	3 101	1 167	-								12 229
Phuthaditjhaba/Owaqra: New Taxi Facility - phase 1 (MIS:226018)		12 085	12 608	13 571	5 024	2 375								
Tshame: New Commuter Facility		1 474	5 877	12 910	5 725	1 237								
Tholong: New Taxi Facility		1 166	2 924	15 950	5 528	1 082								
Intabazwe stadium		12 822	16 402	11 764	5 000	2 026								
Refurbishment of Charles Mopedi Stadium			1 250	-	800	4 000								
Bluegumbosch new indoor recreational facility		18 695	10 471	4 224	1 499	-								
Integrated National Electrification Grant			-	29 000	19 200	38 400								
Maluti-a-Phofung: 153 High mast lights in 4 towns		4 595	3 100	798	-	11 498								
Tshame B: Construction of Paved Roads Phase 3		-	7 500	14 004	9 178	915								
Namahadi: Paving of road and stormwater: PHASE 2		-	13 875	13 614	3 100	1 520								
VIP Toilet Project Phase 11		-	500	-	12 000	10 746								
Hanismsith / Intabazwe Ext. 3: Sewer Outfall Line and Rising Main		-	9 824	5 313	398									
Intabazwe Ext. 3: Construction of Waterborne Sewer Network		-	3 000	1 507	14 725	12 402								
Bluegumbosch: Refurbishment of Sewer Line		-	5 255	12 440	934									
Construction of Mangaung sewer network		-	9 602	3 856	8 208	10 898								
Kgotsoeng: Construction of Sewer Network		-	2 500	2 006	361									
Thabong: Construction of Sewer Network		-	5 500	12 563	2 551	1 247								
Water services infrastructure grant		11 132	50 000	35 000	50 000	52 750								
Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections		18 668	1 477	5 361	258	-								
Wilge: Construction of a 4 ML Reservoir			500	5 317	4 031	5 652								
Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters			8 128	1 951	19 250	17 646								
Monontsha: Water Network 500 stands and supply line Phase 1		-	-	1 167	5 983	9 850								
Contract 2														-
Contract 3 etc.														-
Total Capital Expenditure Implication		86 992	171 897	205 417	174 920	184 244	-	-	-	-	-	-	-	823 469
Total Parent Expenditure Implication		174 132	254 040	268 417	241 700	255 031	-	-	-	-	-	-	-	1 193 319



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2.12 CAPITAL EXPENDITURE DETAIL

TABLE 58

FS194 Maluti-a-Phofung - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		121 413	138 677	94 307	171 387	–	171 387	153 835	188 464	210 932
Roads Infrastructure		26 571	62 226	40 185	54 202	–	54 202	31 595	12 278	5 044
Roads		26 571	62 226	40 185	54 202	–	54 202	31 595	12 278	5 044
Electrical Infrastructure		38 994	22 555	4 595	12 600	–	12 600	29 798	19 200	49 898
LV Networks		38 994	22 555	4 595	12 600	–	12 600	29 798	19 200	49 898
Water Supply Infrastructure		31 548	32 620	21 182	61 405	–	61 405	52 919	117 809	120 698
Reservoirs			–		500	–	500	5 317	13 031	12 543
Bulk Mains					50 000	–	50 000	35 000	50 000	52 750
Distribution		31 548	32 620	21 182	10 905	–	10 905	12 602	54 778	55 405
Sanitation Infrastructure		24 299	21 276	8 782	43 181	–	43 181	39 522	39 178	35 292
Reticulation		24 299	21 276	8 782	32 857	–	32 857	34 209	26 779	24 546
Outfall Sewers					9 824	–	9 824	5 313	398	
Toilet Facilities					500	–	500	–	12 000	10 746
Information and Communication Infrastructure		–	–	19 565	–	–	–	–	–	–
Capital Spares				19 565						
Community Assets		23 371	51 002	90 293	54 734	–	54 734	49 756	18 942	4 694
Community Facilities		10 878	13 040	36 053	44 263	–	44 263	45 532	17 444	4 694
Cemeteries/Crematoria		4 638	7 322	2 053	1 250	–	1 250			
Taxi Ranks/Bus Terminals					23 014		23 014	45 532	17 444	4 694
Capital Spares		6 240	5 718	34 000	20 000		20 000			
Sport and Recreation Facilities		12 494	37 962	54 240	10 471	–	10 471	4 224	1 499	–
Indoor Facilities		12 494	37 962	54 240	10 471		10 471	4 224	1 499	–
Heritage assets		–	–	–	–	–	–	–	–	–
Other assets		–	–	747	8 342	–	8 342	7 966	8 138	8 614
Operational Buildings		–	–	747	8 342	–	8 342	7 966	8 138	8 614
Municipal Offices				114						
Capital Spares				633	8 342		8 342	7 966	8 138	8 614
Intangible Assets		–	59	1 240	–	–	–	–	–	–
Licences and Rights		–	59	1 240	–	–	–	–	–	–
Computer Software and Applications			59	1 240						
Computer Equipment		781	194	142	3 000	–	3 000	–	–	–
Computer Equipment		781	194	142	3 000		3 000			
Furniture and Office Equipment		–	–	–	1 000	–	1 000	–	–	–
Furniture and Office Equipment			–	–	1 000		1 000			
Machinery and Equipment		808	162	1 132	5 000	–	5 000	–	–	–
Machinery and Equipment		808	162	1 132	5 000		5 000			
Total Capital Expenditure on new assets	1	146 374	190 095	187 862	243 464	–	243 464	211 557	215 545	224 241



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TABLE 59

FS194 Maluti-a-Phofung - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	14 785	-	-	-	-	-	10 618	9 692
Electrical Infrastructure		-	14 785	-	-	-	-	-	-	-
HV Substations		-	14 785	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	10 618	9 692
Pump Station		-	-	-	-	-	-	-	10 618	9 692
Community Assets		8 995	-	-	12 566	-	12 566	-	800	4 000
Community Facilities		1 932	-	-	12 566	-	12 566	-	-	-
Halls		1 932			5 643		5 643			
Fire/Ambulance Stations		-	-	-	6 924		6 924	-	-	-
Sport and Recreation Facilities		7 063	-	-	-	-	-	-	800	4 000
Indoor Facilities		7 063	-	-	-	-	-	-	800	4 000
Total Capital Expenditure on renewal of existing	1	8 995	14 785	-	12 566	-	12 566	-	11 418	13 692
Renewal of Existing Assets as % of total capex		0.0%	7.2%	0.0%	4.6%	0.0%	4.6%	0.0%	4.9%	5.2%
Renewal of Existing Assets as % of deprechn"		3.2%	5.3%	0.0%	4.5%	0.0%	4.5%	0.0%	4.0%	4.5%



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 60

FS194 Maluti-a-Phofung - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		66 560	92 877	91 487	71 700	–	71 700	55 000	58 300	61 798
Roads Infrastructure		38 384	62 215	53 314	33 400	–	33 400	25 000	26 500	28 090
Roads		38 384	62 215	53 314	33 400		33 400	25 000	26 500	28 090
Storm water Infrastructure		–	–	–	5 000	–	5 000	3 000	3 180	3 371
Drainage Collection										
Storm water Conveyance				–	5 000		5 000	3 000	3 180	3 371
Electrical Infrastructure		28 176	30 662	20 365	30 300	–	30 300	24 000	25 440	26 966
HV Substations					8 500		8 500	8 000	8 480	8 989
HV Transmission Conductors								6 000	6 360	6 742
MV Networks								10 000	10 600	11 236
LV Networks		28 176	30 662	20 365	21 800		21 800			
Sanitation Infrastructure		–	–	17 808	3 000	–	3 000	3 000	3 180	3 371
Reticulation				7 415						
Toilet Facilities					3 000		3 000	3 000	3 180	3 371
Capital Spares				10 393						
Community Assets		181	501	126	1 000	–	1 000	500	530	562
Community Facilities		181	501	126	1 000	–	1 000	500	530	562
Public Open Space					1 000		1 000	500	530	562
Capital Spares		181	501	126						
Other assets		391 516	587	2 386	3 000	–	3 000	1 500	1 590	1 685
Operational Buildings		391 516	587	2 386	3 000	–	3 000	1 500	1 590	1 685
Municipal Offices		–	587	–	3 000		3 000	1 500	1 590	1 685
Capital Spares		391 516	–	2 386						
Computer Equipment		107	416	118	2 000	–	2 000	100	106	112
Computer Equipment		107	416	118	2 000		2 000	100	106	112
Furniture and Office Equipment		–	–	11 471	300	–	300	50	53	56
Furniture and Office Equipment		–		11 471	300		300	50	53	56
Machinery and Equipment		–	1	127	400	–	400	–	–	–
Machinery and Equipment		–	1	127	400		400			
Transport Assets		2 711	3 372	1 023	3 830	–	3 830	2 300	2 438	2 584
Transport Assets		2 711	3 372	1 023	3 830		3 830	2 300	2 438	2 584
Total Repairs and Maintenance Expenditure	1	461 075	97 754	106 738	82 230	–	82 230	59 450	63 017	66 798
R&M as a % of PPE		15.4%	3.3%	3.1%	2.7%	0.0%	2.7%	0.0%	1.7%	1.7%
R&M as % Operating Expenditure		26.2%	4.7%	5.1%	4.0%	0.0%	4.0%	0.0%	3.3%	3.3%

TABLE 61

FS194 Maluti-a-Phofung - Supporting Table SA34d Depreciation by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Depreciation by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Other assets		279 224	279 489	268 475	280 100	-	280 100	270 000	286 200	303 372
Operational Buildings		279 224	279 489	268 475	280 100	-	280 100	270 000	286 200	303 372
Capital Spares		279 224	279 489	268 475	280 100	-	280 100	270 000	286 200	303 372
Total Depreciation	1	279 224	279 489	268 475	280 100	-	280 100	270 000	286 200	303 372



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TABLE 62

FS194 Maluti-a-Phofung - Supporting Table SA36 Detailed capital budget											
Municipal Vote/Capital project	Ref	Program/Project description	Asset Class	Asset Sub-Class	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
					Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
R thousand	4		3	3							
Parent municipality: List all capital projects grouped by Municipal Vote											
MUNICIPAL INFRASTRUCTURE		Phuthadijhaba: Upgrading of Town Hall	Community	Community halls		5 643	-	-	10 450	Phuthadijhaba	Upgrading
MUNICIPAL INFRASTRUCTURE		Incentive grant for municipality (EXPWP)	Community	Other	7 660		-	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE		Maluti Contractor Development Programme	Community	Other	21 025	20 000	-	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE		Intabazwe/Harrismith: New Commuter infrastructure facility (MIS:225752)	Community	Other	6 366	1 605	3 101	1 167	-	Intabazwe	new
MUNICIPAL INFRASTRUCTURE		Phuthadijhaba/Qwaqwa: New taxi facility - phase 1 (MIS:226018)	Community	Other	12 085	12 608	13 571	5 024	2 375	Phuthadijhaba	new
MUNICIPAL INFRASTRUCTURE		Tshiame: New Commuter Facility	Community	Other	1 474	5 877	12 910	5 725	1 237	Tshiame	new
MUNICIPAL INFRASTRUCTURE		Tlholong: New Taxi Facility	Community	Other	1 166	2 924	15 950	5 528	1 082	Tlholong	new
MUNICIPAL INFRASTRUCTURE		Fencing and infra at cemeteries 1 (c)	Community	Cemeteries	2 053	-	-	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE		Intabazwe/Harrismith: Establishment of Fire Station	Community	Fire, safety & emergency		6 924	-	-	-	Intabazwe	Upgrading
MUNICIPAL INFRASTRUCTURE		Intabazwe stadium	Community	Sportsfields & stadia	12 822	16 402	11 764	5 000	2 026	Intabazwe	Upgrading
MUNICIPAL INFRASTRUCTURE		Refurbishment of Charles Mopedi Stadium	Community	Sportsfields & stadia		1 250	-	800	4 000	Qwaqwa	renewal
MUNICIPAL INFRASTRUCTURE		Upgrade of Platberg Stadium Phase 1	Community	Sportsfields & stadia			-	-	1 726	Harrismith	Upgrading
MUNICIPAL INFRASTRUCTURE		Intabazwe new indoor sport & recreational facility	Community	Recreational facilities	1 215	-	-	-	-	Intabazwe	new
MUNICIPAL INFRASTRUCTURE		Bluegumbosch new indoor recreational facility	Community	Recreational facilities	18 695	10 471	4 224	1 499	-	Bluegumbosch	new
MUNICIPAL INFRASTRUCTURE		Integrated National Electrification Grant	Infrastructure - Electricity	Transmission & Reticulation		-	29 000	19 200	38 400	Kgabisani	new
MUNICIPAL INFRASTRUCTURE		Maluti-a-Phofung: 153 High mast lights in 4 towns	Infrastructure - Electricity	Street Lighting	4 595	3 100	798	-	11 498	all wards	new
MUNICIPAL INFRASTRUCTURE		B-Strong Electrification (Botata)	Infrastructure - Electricity	Transmission & Reticulation		3 000	-	-	-	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE		Kgabisani Electrification (Tebang)	Infrastructure - Electricity	Transmission & Reticulation	-	3 000	-	-	-	Kgabisani	new
MUNICIPAL INFRASTRUCTURE		MAP TRANSFORMERS	Infrastructure - Electricity	Transmission & Reticulation	-	3 500	-	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE		Tshiame B: Paving of 6km roads - Phase 2B	Infrastructure - Road transport	Roads, Pavements & Bridges	-	1 179	558	-	-	Tshiame	renewal
MUNICIPAL INFRASTRUCTURE		Tshiame B: Construction of Paved Roads Phase 3	Infrastructure - Road transport	Roads, Pavements & Bridges	-	7 500	14 004	9 178	915	Tshiame	new
MUNICIPAL INFRASTRUCTURE		Namahadi Paving of road and stormwater: PHASE 2	Infrastructure - Road transport	Roads, Pavements & Bridges	-	13 875	13 614	3 100	1 520	Namahadi	new
MUNICIPAL INFRASTRUCTURE		Phuthadijhaba: Upgrading of 1km paved road Molebang - phase 1 (MIS:276324)	Infrastructure - Road transport	Roads, Pavements & Bridges	-		-		11 300	Phuthadijhaba	new



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MUNICIPAL INFRASTRUCTURE	Maluti-a-Phofung Phuthaditjhaba: Paving of Roads 14.5km) Phase 3	Infrastructure - Road transport	Roads, Pavements & Bridges	4 066	1 164	-	-	-	Phuthaditjhaba	new
MUNICIPAL INFRASTRUCTURE	Intabazwe Paving of 4,5km roads - Phase 3	Infrastructure - Road transport	Roads, Pavements & Bridges	-	5 500	3 420	-	-	Intabazwe	new
MUNICIPAL INFRASTRUCTURE	Resurfacing Of Roads Tar	Infrastructure - Road transport	Roads, Pavements & Bridges	7 754	-	-	-	-	all wards	renewal
MUNICIPAL INFRASTRUCTURE	Disaster Park: Paving of 4.5km roads - Phase 3	Infrastructure - Road transport	Roads, Pavements & Bridges	14 193	2 220	-	-	-	Bluegumbosch	new
MUNICIPAL INFRASTRUCTURE	Namahadi: Paving of Roads and Storm water: Retention	Infrastructure - Road transport	Roads, Pavements & Bridges	-	-	-	-	-	Namahadi	new
MUNICIPAL INFRASTRUCTURE	Construction of bridge (SANRAL)	Infrastructure - Road transport	Roads, Pavements & Bridges	-	5 000	-	-	-	Harrismith	new
MUNICIPAL INFRASTRUCTURE	Turfontein/Makeneng Internal Paved Roads Phase 2	Infrastructure - Road transport	Roads, Pavements & Bridges	6 198	3 000	-	-	-	Makeneng	new
MUNICIPAL INFRASTRUCTURE	Maqhekung Infrastructure	Infrastructure - Road transport	Roads, Pavements & Bridges	1 640	-	-	-	-	Phuthaditjhaba	new
MUNICIPAL INFRASTRUCTURE	Molebang street - Rebuilt	Infrastructure - Road transport	Roads, Pavements & Bridges	-	5 000	-	-	-	Phuthaditjhaba	new
MUNICIPAL INFRASTRUCTURE	Kestell (Tiholong): 5km New paved roads phase 5	Infrastructure - Road transport	Roads, Pavements & Bridges	7 917	1 453	-	-	-	Kestell	new
MUNICIPAL INFRASTRUCTURE	Monontsha: Construction of footbridge	Infrastructure - Road transport	Roads, Pavements & Bridges	-	5 104	-	-	2 609	Monontsha	new
MUNICIPAL INFRASTRUCTURE	Kestell/ Tiholong New Paved road Phase 6	Infrastructure - Road transport	Roads, Pavements & Bridges	-	2 706	-	-	-	Kestell	new
MUNICIPAL INFRASTRUCTURE	MIG counterfunding	Infrastructure - Road transport	Roads, Pavements & Bridges	-	500	-	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE	Wilge: Upgrading of the Wilge Waste Water Treatment Works - Phase 1 (MIS:268482)			3 587	-	1 837	-	-	Harrismith	Upgrading
MUNICIPAL INFRASTRUCTURE	VIP Toilet Project Phase 11	Infrastructure - Sanitation	Reticulation	-	500	-	12 000	10 746	all wards	new
MUNICIPAL INFRASTRUCTURE	Harrismith / Intabazwe Ext. 3: Sewer Outfall Line and Rising Main	Infrastructure - Sanitation	Reticulation	-	9 824	5 313	398	-	Harrismith	new
MUNICIPAL INFRASTRUCTURE	Intabazwe Ext. 3: Construction of Waterborne Sewer Network	Infrastructure - Sanitation	Reticulation	-	3 000	1 507	14 725	12 402	Intabazwe	new
MUNICIPAL INFRASTRUCTURE	Bluegumbosch: Refurbishment of Sewer Line	Infrastructure - Sanitation	Reticulation	-	5 255	12 440	934	-	Bluegumbosch	new
MUNICIPAL INFRASTRUCTURE	Construction of Mangaung sewer network	Infrastructure - Sanitation	Reticulation	-	9 602	3 856	8 208	10 898	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Kgotso: Construction of Sewer Network	Infrastructure - Sanitation	Reticulation	-	2 500	2 006	361	-	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Thabong: Construction of Sewer Network	Infrastructure - Sanitation	Reticulation	-	5 500	12 563	2 551	1 247	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Refurbishment of Sewer Pump Stations	Infrastructure - Sanitation	Reticulation	-	-	-	10 618	9 692	all wards	new
MUNICIPAL INFRASTRUCTURE	Construction of sewer network for Namahadi(Harankopane)	Infrastructure - Sanitation	Reticulation	-	3 000	-	-	-	Namahadi	new
MUNICIPAL INFRASTRUCTURE	Lusaka Sewerage	Infrastructure - Sanitation	Reticulation	1 171	4 000	-	-	-	Lusaka	new
MUNICIPAL INFRASTRUCTURE	VIP Toilets (360 toilets per annum)	Infrastructure - Sanitation	Reticulation	4 024	-	-	-	-	all wards	new
MUNICIPAL INFRASTRUCTURE	Water services infrastructure grant	Infrastructure - Water	Transmission & Reticulation	11 132	50 000	35 000	50 000	52 750	Kestell	new
MUNICIPAL INFRASTRUCTURE	Phuthaditjhaba: Provision of water services for network extensions and 2940 erf connections	Infrastructure - Water	Transmission & Reticulation	9 186	1 100	732	-	-	Phuthaditjhaba	new
MUNICIPAL INFRASTRUCTURE	Phuthaditjhaba: Provision of water services for network extensions and 3907 erf connections	Infrastructure - Water	Transmission & Reticulation	18 668	1 477	5 361	258	-	Phuthaditjhaba	new
MUNICIPAL INFRASTRUCTURE	Wilge: Construction of a 4 ML Reservoir	Infrastructure - Water	Transmission & Reticulation	-	500	5 317	4 031	5 652	Harrismith	new



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MUNICIPAL INFRASTRUCTURE	Intabazwe Ext. 3: Construction of Internal Water Reticulation with Water Meters	Infrastructure - Water	Transmission & Reticulation		8 128	1 951	19 250	17 646	Intabazwe	new
MUNICIPAL INFRASTRUCTURE	Hlatseng: Water Network 200 stands and supply line	Infrastructure - Water	Transmission & Reticulation	-	-	-	5 930	270	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Thaba Bosiu Water Pipeline	Infrastructure - Water	Transmission & Reticulation	-	-	-	8 997	7 458	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Chris Hani Park: Water Reticulation 500 Stands	Infrastructure - Water	Transmission & Reticulation	-	-	-	9 350	7 650	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Intabazwe/Harrismith: Rectification of water supply pipeline (MIS:278789)	Infrastructure - Water	Transmission & Reticulation	-	-	3 392	158		Intabazwe	new
MUNICIPAL INFRASTRUCTURE	Upgrading of water pump stations	Infrastructure - Water	Water purification	-	-	-	-	3 059	all wards	Upgrading
MUNICIPAL INFRASTRUCTURE	Mphatlalatsane: Water Network 500 stands and supply line Phase 1	Infrastructure - Water	Transmission & Reticulation	-	-	-	4 852	9 472	Mphatlalatsane	new
MUNICIPAL INFRASTRUCTURE	Makeleng 3ML Reservoir	Infrastructure - Water	Transmission & Reticulation	-	-	-	9 000	4 000	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Construction 4ML Reservoir in Qholaqwe	Infrastructure - Water	Transmission & Reticulation	-	-	-	-	2 891	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Monontsha: Water Network 500 stands and supply line Phase 1	Infrastructure - Water	Transmission & Reticulation	-	-	1 167	5 983	9 850	Qwaqwa	new
MUNICIPAL INFRASTRUCTURE	Tholong water network connection	Infrastructure - Water	Transmission & Reticulation	-	-	-	-	-	Tholong	new
MUNICIPAL INFRASTRUCTURE	Water Tanks (Jojo)	Infrastructure - Water	Transportation	251	200				all wards	new
EXECUTIVE AND COUNCIL	Project Management Unit	Infrastructure - Other	PMU	1 132	8 342	7 966	8 138	8 614	all wards	new
EXECUTIVE AND COUNCIL	Plant & Machinery for Road Construction / Maintenance	Other Assets	Specialised vehicles - Refuse	5 263	5 000	-	-	-	MAP offices	new
EXECUTIVE AND COUNCIL	Cctv Cameras	Other Assets	Computers - hardware/equipment	1 050	500	-	-	-	MAP offices	new
EXECUTIVE AND COUNCIL	Communication System	Other Assets	Computers - software & programming		1 000	-	-	-	MAP offices	new
EXECUTIVE AND COUNCIL	Computer & Equipment	Other Assets	Computers - hardware/equipment	1 240	1 500	-	-	-	MAP offices	new
EXECUTIVE AND COUNCIL	Equipment And Tools	Other Assets	Furniture and other office equipment	142	500	-	-	-	MAP offices	new
EXECUTIVE AND COUNCIL	Furniture	Other Assets	Furniture and other office equipment	-	500	-	-	-	MAP offices	new
EXECUTIVE AND COUNCIL	Buildings	Other Assets	Other Buildings	114					MAP offices	new
Parent Capital expenditure	1						223 321	231 963	263 435	
Total Capital expenditure					187 862	272 432	223 321	231 963	263 435	

TABLE 63

FS194 Maluti-a-Phofung - Supporting Table SA37 Projects delayed from previous financial years												
Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	Current Year 2017/18		2018/19 Medium term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand												
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				<i>Examples</i>	<i>Examples</i>							
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name <i>Project name</i>												



2.13 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. However, the reports were not prepared with information from the financial system. The billing for November has just been completed and capturing of transactions for October is in progress. The issue of electricity disruptions also affected our network and delays the processes of billing and capturing.

The mid-year budget and performance assessment report and the Adjustment budget were not tabled in the municipal council.

The 2016/17 audit process has not yet been completed and the annual reports has not yet been tabled to council.

2. Internship programme

The municipality was participating in the Municipal Financial Management Internship programme and all interns who were employed are now permanently employed so the grant has been redirected to mSCOA processes since 2016.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established but has not set for the third quarter.

5. Service Delivery Implementation Plan

The detail SDBIP will be submitted to council with the Final Budget 2018 MTREF.

6. Policies

An amendment of the Municipal Supply Chain Policy was announced in Government Gazette 34350 on 08 June 2011. The ratios as prescribed in the Regulations have been complied with.



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2.14 OTHER SUPPORTING DOCUMENTS

TABLE 64

FS194 Maluti-a-Phofung - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		835 929	3 653 129	2 989 071	3 060 296		3 060 296		3 060 296	3 243 914	3 438 549
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		715 927	3 444 860	2 830 320	2 852 700		2 852 700		2 852 700	3 023 862	3 205 294
Net Property Rates		120 001	208 270	158 750	207 596	-	207 596	-	207 596	220 052	233 255
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		450 472	288 211	294 016	568 658		568 658		387 462	410 710	435 353
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		45 048	15 177	10 658	10 492	-	10 492		11 210	11 882	12 595
Net Service charges - electricity revenue		405 424	273 034	283 358	558 165	-	558 165	-	376 253	398 828	422 757
Service charges - water revenue	6										
Total Service charges - water revenue		74 087	63 148	69 884	100 917		100 917		106 972	113 390	120 194
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		2 798	20 222	17	22 602	-	22 602		23 958	25 396	26 919
Net Service charges - water revenue		71 289	42 927	69 867	78 315	-	78 315	-	83 014	87 995	93 274
Service charges - sanitation revenue	6										
Total Service charges - sanitation revenue		54 142	59 701	42 628	46 180		46 180		48 951	51 888	55 001
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		4 916	5 108	4 253	4 603	-	4 603		4 879	5 171	5 482
Net Service charges - sanitation revenue		49 226	54 593	38 375	41 577	-	41 577	-	44 072	46 716	49 519
Service charges - refuse revenue	6										
Total refuse removal revenue		32 865	38 193	38 430	39 693	-	39 693	-	42 075	44 599	47 275
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		5 164	5 366	3 601	4 862	-	4 862		5 153	5 463	5 790
Net Service charges - refuse revenue		27 700	32 826	34 829	34 832	-	34 832	-	36 921	39 137	41 485
Other Revenue by source											
Advertisement signs		124	206	79	1 500	-	1 500	-	1 590	1 685	1 787
Medical aid income		453	490	407	1 500	-	1 500	-	-	-	-
Building Plans Fees		1 114	188	119	1 000	-	1 000	-	1 060	1 124	1 191
Cemetery Fees		280	46	358	525	-	525	-	557	590	625
Commission received		117	27	-	16	-	16	-	-	-	-
Disconnections/Final reading & reconnections/ Connections prepaid		1 528	706	-	117	-	117	-	4 377	4 640	4 918
Insurance claims		-	8 632	371	6 310	-	6 310	-	-	-	-
Tender Documents		355	219	-	500	-	500	-	530	562	596
Zoning certificate application		-	-	4	30	-	30	-	32	34	36
Building relaxation application		-	-	4	25	-	25	-	27	28	30
Map water income (sewer, water, subsidy)		-	-	-	-	-	-	-	-	-	-
Other Revenue by source (incl. fair value adjustment)	3	444 285	8 718	18 082	17 326	-	17 326	-	7 034	7 456	7 903
Total 'Other' Revenue	1	448 256	19 233	19 424	28 848	-	28 848	-	15 206	16 118	17 085



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EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	161 284	208 402	202 166	249 180	-	249 180	-	264 131	279 979	296 777
Pension and UIF Contributions		25 819	31 546	43 281	34 805	-	34 805	-	36 894	39 107	41 454
Medical Aid Contributions		9 107	10 749	13 651	11 999	-	11 999	-	12 719	13 482	14 291
Overtime		26 863	26 716	35 958	13 499	-	13 499	-	14 309	15 167	16 078
Performance Bonus		-	-			-		-	-	-	-
Motor Vehicle Allowance		5 175	6 451	7 145	13 573	-	13 573	-	14 388	15 251	16 166
Cellphone Allowance		789	1 236	939	1 025	-	1 025	-	1 087	1 152	1 221
Housing Allowances		678	1 335	1 555	1 386	-	1 386	-	1 469	1 557	1 651
Other benefits and allowances		12 780	24 841	10 486	10 679	-	10 679	-	3 794	4 021	4 263
Payments in lieu of leave		14 083	6 251	30 751	2 840	-	2 840	-	3 011	3 191	3 383
Long service awards		-	871	2 618	4 198	-	4 198	-	4 450	4 717	5 000
Post-retirement benefit obligations	4										
sub-total	5	256 577	318 397	348 550	343 185	-	343 185	-	356 250	377 625	400 283
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	256 577	318 397	348 550	343 185	-	343 185	-	356 250	377 625	400 283
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		279 224	279 489	268 360	280 100	-	280 100	-	270 000	286 200	303 372
Lease amortisation				115							
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
Total Depreciation & asset impairment	1	279 224	279 489	268 475	280 100	-	280 100	-	270 000	286 200	303 372
Bulk purchases											
Electricity Bulk Purchases		422 368	665 334	574 983	579 200	-	579 200	-	600 000	636 000	674 160
Water Bulk Purchases											
Total bulk purchases	1	422 368	665 334	574 983	579 200	-	579 200	-	600 000	636 000	674 160
Transfers and grants											
Cash transfers and grants		-	-	109 000	115 540	-	115 540	-	140 000	147 000	154 350
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	-	-	109 000	115 540	-	115 540	-	140 000	147 000	154 350



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Contracted services											
Indigent Register	-	-	7 804	5 000	-	5 000	-	3 000	3 180	3 371	
Electricity vendors	6 707	5 000	4 681	6 064	-	6 064	-	5 000	5 300	5 618	
Municipal assets Insurance	17 566	17 581	1 913	13 939	-	13 939	-	10 000	10 600	11 236	
Landfill site Management	2 145	1 505	4 336	5 040	-	5 040	-	4 000	4 240	4 494	
Valuation roll/Credit control charges	3 774	3 404	2 527	1 500	-	1 500	-	1 500	1 590	1 685	
Financial System	1 962	3 894	1 250	5 000	-	5 000	-	5 000	5 300	5 618	
Collection costs/printing consumer accounts	699	168	59	200	-	200	-	-	-	-	
Revenue Enhancement	10 533	6 875	18 081	10 000	-	10 000	-	5 000	5 300	5 618	
Streetslights-emnergy efficient lighing	10 914	5 477	5 848	3 000	-	3 000	-	3 000	3 180	3 371	
Dinatla Debt collectors	-	9 094	-	-	-	-	-	-	-	-	
VAT Review	-	5 520	3 000	3 000	-	3 000	-	3 000	3 180	3 371	
Compilation of Financial Statements	-	1 408	10 910	5 000	-	5 000	-	5 000	5 300	5 618	
Assets Verification	-	389	2 131	500	-	500	-	500	530	562	
Urban Renewal	-	1 006	30	3 000	-	3 000	-	2 000	2 120	2 247	
Debt collectors	3 734	817	1 743	1 500	-	1 500	-	1 500	1 590	1 685	
SCM Database	-	-	-	-	-	-	-	-	-	-	
SCM Management Support	-	-	-	400	-	400	-	-	-	-	
Traffic management	-	-	13 347	3 500	-	3 500	-	1 500	1 590	1 685	
Security Services	-	-	6 128	6 000	-	6 000	-	6 000	6 360	6 742	
ICT Support	-	-	10 670	5 000	-	5 000	-	5 000	5 300	5 618	
Rural formalisation	-	-	-	1 000	-	1 000	-	1 000	1 060	1 124	
Fencing of landfill site	-	-	-	3 500	-	3 500	-	1 000	1 060	1 124	
Maluti water(IT services)	-	-	-	-	-	-	-	-	-	-	
Maluti water(meter reading contractors	-	-	-	-	-	-	-	-	-	-	
Maluti water (Other)	-	-	-	-	-	-	-	-	-	-	
sub-total	1	58 034	62 139	94 457	82 143	-	82 143	-	63 000	66 780	70 787
Allocations to organs of state:											
Electricity	-	-	-	-	-	-	-	-	-	-	
Water	-	-	-	-	-	-	-	-	-	-	
Sanitation	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	
Total contracted services		58 034	62 139	94 457	82 143	-	82 143	-	63 000	66 780	70 787
Other Expenditure By Type											
Collection costs	-	-	-	-	-	-	-	-	-	-	
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-	
Consultant fees	9 856	10 629	17 007	1 000	-	1 000	-	-	-	-	
Audit fees	8 817	5 532	7 058	5 500	-	5 500	-	5 500	5 830	6 180	
General expenses	38 295	31 225	2 295	27 376	-	27 376	-	-	-	-	
DEPARTMENTAL CHARGES	31 810	6 270	30	8 878	-	8 878	-	9 410	9 975	10 574	
FMG (MSCOA IMPLEMENTATION)	-	-	-	2 145	-	2 145	-	2 215	2 680	3 112	
LEASING OF VEHICLES	-	2 302	-	4 500	-	4 500	-	4 000	4 240	4 494	
DISASTER MANAGEMENT	-	3 809	10 390	5 000	-	5 000	-	5 000	5 300	5 618	
COMMUNITY PROJECT EXPENDITURE	56 279	90 202	66 612	-	-	-	-	-	-	-	
TRAINING	2 602	10 460	14 420	3 000	-	3 000	-	3 000	3 180	3 371	
DUSTBINS	-	125	-	500	-	500	-	-	-	-	
FUEL & OIL	8 074	3 976	6 276	5 000	-	5 000	-	4 000	4 240	4 494	
PROTECTIVE CLOTHING	714	3 011	6 335	4 500	-	4 500	-	2 000	2 120	2 247	
WATER LEVIES REFUND	39 419	36 851	-	25 000	-	25 000	-	30 000	31 800	33 708	
BANK CHARGES	3 917	2 753	2 940	2 000	-	2 000	-	2 000	2 120	2 247	
BRICK MAKING PROJECT	-	-	100	5 000	-	5 000	-	1 000	1 060	1 124	
TELEPHONE	4 494	3 098	3 756	3 100	-	3 100	-	3 100	3 286	3 483	
LEGAL CHARGES	4 536	3 764	-	5 000	-	5 000	-	6 000	6 360	6 742	
EMPLOYEES WELLNESS	-	518	-	900	-	900	-	-	-	-	
DATA LINE & ICT STRATEGY	12 553	937	-	5 500	-	5 500	-	1 500	1 590	1 685	
DEPARTMENTAL- OPERATIONAL PROJECTS	732	5 511	-	9 100	-	9 100	-	1 500	1 590	1 685	
(FS WONDERLAND FIREWORKS)	-	-	-	16 000	-	16 000	-	-	-	-	
BURSARIES	3 917	21 455	21 372	15 000	-	15 000	-	5 000	5 300	5 618	
MAYORAL FUND/SPECIAL PROGRAMMS	-	-	-	37 600	-	37 600	-	-	-	-	
MEMBERSHIP FEES: SALGA	1 226	249	169	4 280	-	4 280	-	4 537	4 809	5 098	
Other Expenditure By Type	176 324	98 512	336 359	62 328	-	62 328	-	36 571	36 405	38 580	
Total 'Other' Expenditure	1	403 567	341 189	495 119	258 206	-	258 206	-	126 333	131 886	140 060
Repairs and Maintenance											
Employee related costs	-	-	-	-	-	-	-	-	-	-	
Other materials	461 075	97 751	106 738	82 230	-	82 230	-	59 450	63 017	66 798	
Contracted Services	-	-	-	-	-	-	-	-	-	-	
Other Expenditure	-	-	-	-	-	-	-	-	-	-	
Total Repairs and Maintenance Expenditure	9	461 075	97 751	106 738	82 230	-	82 230	-	59 450	63 017	66 798



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies

TABLE 65

FS194 Maluti-a-Phofung - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Legislative Authority	Vote 2 - Office of the Municipal Manager	Vote 3 - Corporate Services	Vote 4 - Financial Services	Vote 5 - Municipal Infrastructur e	Vote 6 - Community Services	Vote 7 - Public Safety & Transport	Vote 8 - Sports, Parks, Arts & Culture	Vote 9 - LED, Tourism , SMME's, Rur al & agricultural	Vote 10 - Human Settlements	Vote 11 - IDP PMS Department	Vote 12 - Spatial Development , Planning & Traditional	Vote 13 - Electricity Department	Vote 14 - Maluti Water (Pty) Ltd	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates		-	-	-	207 596	-	-	-	-	-	-	-	-	-	-	-	207 596
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	376 253	-	-	376 253
Service charges - water revenue		-	-	-	-	83 014	-	-	-	-	-	-	-	-	-	-	83 014
Service charges - sanitation revenue		-	-	-	-	44 072	-	-	-	-	-	-	-	-	-	-	44 072
Service charges - refuse revenue		-	-	-	-	-	36 921	-	-	-	-	-	-	-	-	-	36 921
Rental of facilities and equipment		-	-	-	-	-	-	-	407	-	939	-	-	-	-	-	1 346
Interest earned - external investments		-	-	-	2 900	-	-	-	-	-	-	-	-	-	-	-	2 900
Interest earned - outstanding debtors		-	-	-	33 708	-	-	-	-	-	-	-	-	-	-	-	33 708
Fines, penalties and forfeits		-	-	-	-	-	-	14 853	-	-	-	-	-	-	-	-	14 853
Other revenue		-	-	500	1 451	-	3 285	1 013	56	-	1 060	-	3 389	4 451	-	-	15 206
Transfers and subsidies		-	-	-	540 934	-	-	-	2 750	4 120	-	-	-	-	-	-	547 804
Total Revenue (excluding capital transfers and con		-	-	500	786 589	127 086	40 207	15 866	3 213	4 120	1 999	-	3 389	380 704	-	-	1 363 672
Expenditure By Type																	
Employee related costs		12 779	18 264	28 545	36 968	27 895	63 602	63 749	41 479	6 805	7 967	5 227	10 584	32 385	-	-	356 250
Remuneration of councillors		24 758	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24 758
Debt impairment		-	-	-	270 000	-	-	-	-	-	-	-	-	-	-	-	270 000
Depreciation & asset impairment		-	-	-	270 000	-	-	-	-	-	-	-	-	-	-	-	270 000
Finance charges		-	-	-	5 000	-	-	-	-	-	-	-	-	-	-	-	5 000
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	600 000	-	-	600 000
Other materials		-	100	-	-	31 000	-	2 300	500	-	1 550	-	-	24 000	-	-	59 450
Contracted services		-	5 000	-	29 500	-	-	7 500	-	5 000	-	-	3 000	13 000	-	-	63 000
Transfers and subsidies		-	-	-	140 000	-	-	-	-	-	-	-	-	-	-	-	140 000
Other expenditure		11 821	4 775	19 777	48 566	507	1 571	13 454	307	8 855	64	7	7	16 622	-	-	126 333
Total Expenditure		49 359	28 139	48 322	800 034	59 402	65 173	87 003	42 286	20 660	9 581	5 234	13 591	686 008	-	-	1 914 792
Surplus/(Deficit)		(49 359)	(28 139)	(47 822)	(13 445)	67 684	(24 966)	(71 137)	(39 073)	(16 540)	(7 582)	(5 234)	(10 202)	(305 304)	-	-	(551 119)
Transfers and subsidies - capital (financially allocations) (National / Provincial and District)		-	-	-	-	223 321	-	-	-	-	-	-	-	-	-	-	223 321
Surplus/(Deficit) after capital transfers & contributions		(49 359)	(28 139)	(47 822)	(13 445)	291 005	(24 966)	(71 137)	(39 073)	(16 540)	(7 582)	(5 234)	(10 202)	(305 304)	-	-	(327 798)



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 66

FS194 Maluti-a-Phofung - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		438 134	385 311	355 856	1 063 029	-	1 063 029	-	377 208	399 840	423 831
Less: Provision for debt impairment		-	-	-	(270 000)	-	(270 000)	-	-	-	-
Total Consumer debtors	2	438 134	385 311	355 856	793 029	-	793 029	-	377 208	399 840	423 831
Debt impairment provision											
Balance at the beginning of the year		(162 696)	(162 696)	-	-	-	-	-	-	-	-
Contributions to the provision		-	-	70 050	270 000	-	270 000	-	74 253	78 708	83 431
Bad debts written off		-	254 821	-	-	-	-	-	-	-	-
Balance at end of year		(162 696)	92 125	70 050	270 000	-	270 000	-	74 253	78 708	83 431
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		8 344 095	8 543 598	3 727 402	8 970 778	-	8 970 778	-	3 951 046	4 188 109	4 439 396
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation		5 343 747	5 619 722	267 866	5 900 708	-	5 900 708	-	283 938	300 974	319 033
Total Property, plant and equipment (PPE)	2	3 000 348	2 923 876	3 459 536	3 070 070	-	3 070 070	-	3 667 108	3 887 135	4 120 363
LIABILITIES											
Current liabilities - Borrowing											
Current portion of long-term liabilities		-	-	3 014	-	-	-	-	-	-	-
Total Current liabilities - Borrowing		-	-	3 014	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		1 143 246	1 771 803	2 599 042	1 860 393	-	1 860 393	-	2 754 985	2 920 284	3 095 501
Unspent conditional transfers		1 787	2 854	3 789	-	-	-	-	-	-	-
Total Trade and other payables	2	1 145 033	1 774 658	2 602 831	1 860 393	-	1 860 393	-	2 754 985	2 920 284	3 095 501
Non current liabilities - Borrowing											
Borrowing	4	9 077	7 123	4 865	7 000	-	7 000	-	5 156	5 466	5 794
Total Non current liabilities - Borrowing		9 077	7 123	4 865	7 000	-	7 000	-	5 156	5 466	5 794
Provisions - non-current											
Retirement benefits		24 803	29 169	27 733	30 627	-	30 627	-	29 397	31 161	33 030
List other major provision items											
Other		41 016	41 907	38 253	44 002	-	44 002	-	40 548	42 981	45 560
Total Provisions - non-current		65 819	71 076	65 986	74 630	-	74 630	-	69 945	74 141	78 590
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		2 642 208	2 511 634	2 205 345	2 454 846	-	2 454 846	-	1 825 713	1 919 490	2 001 777
Restated balance		2 642 208	2 511 634	2 205 345	2 454 846	-	2 454 846	-	1 825 713	1 919 490	2 001 777
Surplus/(Deficit)		(15 431)	(732 503)	(798 695)	(319 268)	-	(319 268)	-	(327 798)	(331 700)	(318 720)
Accumulated Surplus/(Deficit)	1	2 626 778	1 779 131	1 406 650	2 135 578	-	2 135 578	-	1 497 915	1 587 790	1 683 057
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2 626 778	1 779 131	1 406 650	2 135 578	-	2 135 578	-	1 497 915	1 587 790	1 683 057

TABLE 67

FS194 Maluti-a-Phofung - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population			361	385	336	336	336	336	336	353	353	353
Females aged 5 - 14			52	43	36	36	36	36	35	54	54	54
Males aged 5 - 14			50	42	35	35	35	35	36	54	54	54
Females aged 15 - 34			54	45	58	58	58	58	65	68	68	68
Males aged 15 - 34			51	43	65	65	65	65	58	75	75	75
Unemployment			75	62	38	38	38	38	56	60	60	60
Monthly household income (no. of households)												
No income	1, 12		44 817	50 861	49 866	49 866	49 866	49 866	53 413	49 866	49 866	49 866
R1 - R1 600			38 542	40 452	39 259	39 259	39 259	39 259	39 259	49 686	49 686	49 686
R1 601 - R3 200			2 067	1 723	2 917	2 917	2 917	2 917	2 917	2 917	2 917	2 917
R3 201 - R6 400			2 106	1 755	1 758	1 758	1 758	1 758	1 758	1 758	1 758	1 758
R6 401 - R12 800			1 358	1 132	1 514	1 514	1 514	1 514	1 514	1 514	1 514	1 514
R12 801 - R25 600			943	786	855	855	855	855	855	855	855	855
R25 601 - R51 200			149	124	191	191	191	191	191	191	191	191
R52 201 - R102 400			150	125	30	30	30	30	120	30	30	30
R102 401 - R204 800			258	215	29	29	29	29	114	29	29	29
R204 801 - R409 600			-	-	3 810	3 810	3 810	3 810	88	3 810	3 810	3 810
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			360 787	385 413	335 784	336	336	336	336	353	353	353
Number of poor people in municipal area			328 724	364 561	291 374	291	291	291	213	291	291	291
Number of households in municipal area			90 390	97 172	100 228	100	100	100	100	111	111	111
Number of poor households in municipal area			83 359	91 312	92 042	92	92	92	93	92	92	92
Definition of poor household (R per month)					-	1 500	2 200	2 200	2 200	3 500	3 500	3 500
Housing statistics												
Formal	3		90 390	97 172	79 975	79 975	79 975	79 975	100 228	84 978	84 978	84 978
Informal					20 253	20 253	20 253	20 253		25 747	25 747	25 747
Total number of households			90 390	97 172	100 228	100 228	100 228	100 228	100 228	110 725	110 725	110 725
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6					6.1%	6.5%	6.5%	5.3%	5.3%	5.4%	5.5%
Interest rate - borrowing						13.0%	13.5%	13.5%	13.5%	6.0%	6.0%	6.0%
Interest rate - investment						3.0%	3.0%	3.0%	3.0%	6.0%	6.0%	6.0%
Remuneration increases						1% + CPI	1.25% + CPI	1%+CPIX	1%+CPIX	6.0%	6.0%	6.0%
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7					58.0%	60.0%	53.0%	30.0%	50.0%	55.0%	60.0%
Rental of facilities & equipment						80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Interest - external investments						80.0%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
Interest - debtors						58.0%	60.0%	53.0%	30.0%	50.0%	55.0%	60.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

Detail on the provision of municipal services for A10

Total municipal services	Ref.	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Household service targets (000)								
		<u>Water:</u>								
		Piped water inside dwelling	85 488	85 420	85 420	91 698	91 698	91 698	91 698	91 698
		Piped water inside yard (but not in dwelling)	10 890	10 881	10 881	5 771	5 771	5 771	5 771	5 771
	8	Using public tap (at least min.service level)	-	-	-	-	-	-	-	-
	10	Other water supply (at least min.service level)	-	-	-	-	-	-	-	-
		<i>Minimum Service Level and Above sub-total</i>	96 378	96 301	96 301	97 469	97 469	97 469	97 469	97 469
	9	Using public tap (< min.service level)	-	-	-	-	-	-	-	-
	10	Other water supply (< min.service level)	3 850	3 927	3 927	13 283	13 283	13 283	13 283	13 283
		No water supply	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>	3 850	3 927	3 927	13 283	13 283	13 283	13 283	13 283
		Total number of households	100 228	100 228	100 228	110 752	110 752	110 752	110 752	110 752
		<u>Sanitation/sewerage:</u>								
		Flush toilet (connected to sewerage)	35 642	35 642	35 642	32 893	32 893	32 893	32 893	32 893
		Flush toilet (with septic tank)	2 633	2 633	2 633	2 104	2 104	2 104	2 104	2 104
		Chemical toilet	2 099	2 099	2 099	5 473	5 473	5 473	5 473	5 473
		Pit toilet (ventilated)	21 900	21 900	21 900	23 497	23 497	23 497	23 497	23 497
		Other toilet provisions (> min.service level)	33 600	33 600	33 600	43 293	43 293	43 293	43 293	43 293
		<i>Minimum Service Level and Above sub-total</i>	95 874	95 874	95 874	107 260	107 260	107 260	107 260	107 260
		Bucket toilet	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)	2 154	2 154	2 154	1 600	1 600	1 600	1 600	1 600
		No toilet provisions	2 200	2 200	2 200	1 865	1 865	1 865	1 865	1 865
		<i>Below Minimum Service Level sub-total</i>	4 354	4 354	4 354	3 465	3 465	3 465	3 465	3 465
		Total number of households	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725
		<u>Energy:</u>								
		Electricity (at least min.service level)	55 125	53 622	53 622	13 165	13 165	13 165	13 165	13 165
		Electricity - prepaid (min.service level)	-	-	-	89 948	89 948	89 948	89 948	89 948
		<i>Minimum Service Level and Above sub-total</i>	55 125	53 622	53 622	103 113	103 113	103 113	103 113	103 113
		Electricity (< min.service level)	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-
		Other energy sources	45 103	46 606	46 606	7 612	7 612	7 612	7 612	7 612
		<i>Below Minimum Service Level sub-total</i>	45 103	46 606	46 606	7 612	7 612	7 612	7 612	7 612
		Total number of households	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725
		<u>Refuse:</u>								
		Removed at least once a week	26 833	26 833	26 833	23 361	23 361	23 361	23 361	23 361
		<i>Minimum Service Level and Above sub-total</i>	26 833	26 833	26 833	23 361	23 361	23 361	23 361	23 361
		Removed less frequently than once a week	496	496	496	1 159	1 159	1 159	1 159	1 159
		Using communal refuse dump	5 276	5 276	5 276	5 682	5 682	5 682	5 682	5 682
		Using own refuse dump	54 602	54 602	54 602	65 648	65 648	65 648	65 648	65 648
		Other rubbish disposal	5 632	5 632	5 632	2 694	2 694	2 694	2 694	2 694
		No rubbish disposal	7 390	7 390	7 390	12 181	12 181	12 181	12 181	12 181
		<i>Below Minimum Service Level sub-total</i>	73 396	73 396	73 396	87 364	87 364	87 364	87 364	87 364
		Total number of households	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725
Municipal in-house services		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
	Ref.	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
		Household service targets (000)								
		<u>Energy:</u>								
		Electricity (at least min.service level)	55 125	53 622	53 622	13 165	13 165	13 165	13 165	13 165
		Electricity - prepaid (min.service level)	-	-	-	89 948	89 948	89 948	89 948	89 948
		<i>Minimum Service Level and Above sub-total</i>	55 125	53 622	53 622	103 113	103 113	103 113	103 113	103 113
		Electricity (< min.service level)	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-
		Other energy sources	45 103	46 606	46 606	7 612	7 612	7 612	7 612	7 612
		<i>Below Minimum Service Level sub-total</i>	45 103	46 606	46 606	7 612	7 612	7 612	7 612	7 612
		Total number of households	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725
		<u>Refuse:</u>								
		Removed at least once a week	26 833	26 833	26 833	23 361	23 361	23 361	23 361	23 361
		<i>Minimum Service Level and Above sub-total</i>	26 833	26 833	26 833	23 361	23 361	23 361	23 361	23 361
		Removed less frequently than once a week	496	496	496	1 159	1 159	1 159	1 159	1 159
		Using communal refuse dump	5 276	5 276	5 276	5 682	5 682	5 682	5 682	5 682
		Using own refuse dump	54 602	54 602	54 602	65 648	65 648	65 648	65 648	65 648
		Other rubbish disposal	5 632	5 632	5 632	2 694	2 694	2 694	2 694	2 694
		No rubbish disposal	7 390	7 390	7 390	12 181	12 181	12 181	12 181	12 181
		<i>Below Minimum Service Level sub-total</i>	73 396	73 396	73 396	87 364	87 364	87 364	87 364	87 364
		Total number of households	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

Municipal entity services	Ref.		2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Maluti-a-Phofung Water (SOC) Ltd		Household service targets (000)									
		<u>Water:</u>									
		Piped water inside dwelling	85 488	85 420	85 420	91 698	91 698	91 698	91 698	91 698	91 698
		Piped water inside yard (but not in dwelling)	10 890	10 881	10 881	5 771	5 771	5 771	5 771	5 771	5 771
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		<i>Minimum Service Level and Above sub-total</i>	96 378	96 301	96 301	97 469	97 469	97 469	97 469	97 469	97 469
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)	3 850	3 927	3 927	13 283	13 283	13 283	13 283	13 283	13 283
		No water supply									
		<i>Below Minimum Service Level sub-total</i>	3 850	3 927	3 927	13 283	13 283	13 283	13 283	13 283	13 283
		Total number of households	100 228	100 228	100 228	110 752	110 752	110 752	110 752	110 752	110 752
		<u>Sanitation/sewerage:</u>									
		Flush toilet (connected to sewerage)	35 642	35 642	35 642	32 893	32 893	32 893	32 893	32 893	32 893
Maluti-a-Phofung Water (SOC) Ltd		Flush toilet (with septic tank)	2 633	2 633	2 633	2 104	2 104	2 104	2 104	2 104	2 104
		Chemical toilet	2 099	2 099	2 099	5 473	5 473	5 473	5 473	5 473	5 473
		Pit toilet (ventilated)	21 900	21 900	21 900	23 497	23 497	23 497	23 497	23 497	23 497
		Other toilet provisions (> min.service level)	33 600	33 600	33 600	43 293	43 293	43 293	43 293	43 293	43 293
		<i>Minimum Service Level and Above sub-total</i>	95 874	95 874	95 874	107 260	107 260	107 260	107 260	107 260	107 260
		Bucket toilet	-	-	-						
		Other toilet provisions (< min.service level)	2 154	2 154	2 154	1 600	1 600	1 600	1 600	1 600	1 600
		No toilet provisions	2 200	2 200	2 200	1 865	1 865	1 865	1 865	1 865	1 865
		<i>Below Minimum Service Level sub-total</i>	4 354	4 354	4 354	3 465	3 465	3 465	3 465	3 465	3 465
		Total number of households	100 228	100 228	100 228	110 725	110 725	110 725	110 725	110 725	110 725
Detail of Free Basic Services (FBS) provided			2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Electricity	Ref.	<u>Location of households for each type of FBS</u>									
50kWh - Free to all registered indigents		Formal settlements - (50 kwh per indigent household per month Rands)	45 048 477	15 177 000	10 688 035	10 492 278	-	10 492 278	11 209 866	11 882 458	12 595 406
		Number of HH receiving this type of FBS	100 228	70 228	25 295	19 917	-	19 917	19 917	19 917	19 917
Water	Ref.	<u>Location of households for each type of FBS</u>									
6kl - Free to all registered indigents		Formal settlements - (6 kilolitre per indigent household per month Rands)	2 798 470	20 221 776	17 138	22 601 971		22 601 971	23 958 090	25 395 575	26 919 310
		Number of HH receiving this type of FBS	5 706	36 955	36 955	26 528		26 528	26 528	26 528	26 528
Sanitation	Ref.	<u>Location of households for each type of FBS</u>									
Registered indigents		Formal settlements - (free sanitation service to indigent households)	4 915 934	5 108 441	4 253 229	4 602 609		4 602 609	4 878 765	5 171 491	5 481 781
		Number of HH receiving this type of FBS	5 706	5 594	5 594	4 518		4 518	4 518	4 518	4 518
Refuse Removal	Ref.	<u>Location of households for each type of FBS</u>									
Per month for one refuse removal per week - Registered indigents		Formal settlements - (removed once a week to indigent households)	5 164 297	5 366 212	3 600 868	4 861 505		4 861 505	5 153 310	5 462 509	5 790 259
		Number of HH receiving this type of FBS	5 706	5 594	5 594	4 518		4 518	4 518	4 518	4 518
		Total cost of FBS - Refuse Removal for informal settlements	-	-	-	-	-	-	-	-	-



Maluti-A-Phofung Municipality Proposed Draft Budget 2018 /2019 **Medium Term Revenue Expenditure Framework, Tariffs and Budget Policies**

TABLE 68

FS194 Maluti-a-Phofung - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
OPERATIONAL					
M. Maureen Moloi Construction	Yrs	2	Appointment of Service Provider for Project Procurement of A Service Provider: Project Management for Contract Development	08 December 2018	R 3 313 450.04 Vat Inclusive
KN2 Projects (Pty) Ltd,	Yrs	3	Programme for the Period of 3 years.	13 March 2018	Funded by own resources and Ilifa Africa Engineers (Pty) Ltd will claim fees according to the ECSA guidelines.
E'tsho Civils CC	Yrs	3	Appointment of Service Provider - Management of the Project Management Unit	30 August 2018	Cost of the Projects be 5% of all Projects to be Managed by the appointed bidder
Matla a Kopano	Yrs	3	Review of Value Added tax	20 March 2018	25% of all monies recovered, 15% shall be payable for assisting the Municipality
TMT Services and Supplies (Pty) Ltd	Yrs	3	Supply, Support and maintenance of a Traffic Contravention System and renting of Speed Cameras for the Period of 3 years.	04 May 2018	R 98.94 ex cluding Vat prt infringement
lateral Unison Insurance Brokers (Pty) Ltd	Yrs	3	Appointment of Short-term Insurance Broker	14 October 2018	R 2 135 906.62 per months
Orion Equipment Services	Yrs	3	Artisans Project Management for period of 3 years	28 July 2018	Cost for the project be R 13 935 000.00 Vat inclusive
Mofomo Construction CC	Mths	18	Qwa Qwa: Provision of Water Services for Network Extensions and ERF Connection for Qwa Qwa Rural Areas: Phahameng Village	30 May 2018	R 13 626 530.48 Vat Inclusive
Safika Residential Developers CC	Yrs	2	Qwa Qwa: Provision of Water Services for Network Extensions and ERF Connection for Qwa Qwa Rural Areas: Naledi Village	06 December 2018	R 5 188 414.90 Vat Inclusive
Dee Dee Enterprises	Yrs	3	Supply and Delivery of Road Materials and Stormwater Materials for Period of 03 Years.	25 April 2019	R 7 533 086.33 Vat Inclusive
Razzmatlazz Civil	Yrs	3	Upgrading of Intabazwe Stadium.	02 March 2019	R 48 731 418.54 Vat Inclusive
Matla a Kopano	Yrs	15	Review of Value Added tax	20 March 2018	25% of all monies recovered, 15% shall be payable for assisting the Municipality
TMT Services and Supplies (Pty) Ltd	Yrs	3	Supply, Support and maintenance of a Traffic Contravention System and renting of Speed Cameras for the Period of 3 years.	04 May 2018	R 98.94 ex cluding Vat prt infringement
lateral Unison Insurance Brokers (Pty) Ltd	Yrs	3	Appointment of Short-term Insurance Broker	14 October 2018	R 2 135 906.62 per months
Bohlokong Computer Solution	Mths	7	Provision of Information, Communication and Technology for Period equivalent to the remaining period of Dihlabeng Local Municipality	01 August 2016	R5, 328, 298.64

2.14.1 ANNUAL BUDGETS OF MUNICIPAL ENTITIES

See Annexure 2C for detailed schedules



2.15 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I,.....the Acting Municipal Manager of Maluti - A - Phofung Municipality hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act, and that the annual budget is consistent with the business plans of the municipality and the integrated development plan

Print name: _____

Municipal Manager of: Maluti-a-Phofung Local Municipality (FS194)

Signature: _____

Date: _____